

NATIONAL MUNICIPAL REVIEW

VOL. XIX, No. 11

NOVEMBER, 1930

TOTAL No. 173

EDITORIAL COMMENT

Story Reëlected President of City Managers At the annual meeting of the International City Managers' Association in San Francisco, in September, Stephen B. Story, city manager of Rochester, New York, was unanimously reëlected president of the Association.

A New Planning Magazine

Town Planning Institute of New Zealand, as a worthy addition to the already formidable list of journals devoted to the topic of city planning. The first issue appeared in September. Its postal address is P. O. Box 1, Government Buildings, Wellington, New Zealand.

New York's Old Age Assistance Law

Applications for grants under the new law of New York by which assistance is to be rendered to needy persons 70 years old or more are now being received, although actual allowances do not begin until January 1. Public assistance will not be available to all persons 70 or over. Only those who are in financial distress can receive aid. The system is not, therefore, a scheme of old age pensions. If an aged person has children or other relatives able to care for him, or if he is ill or disabled to the extent that he

can be better taken care of in a public institution, he cannot qualify for the old age allowance. The grants are intended only for those living in their own homes or in the homes of relatives or friends. The state department of public welfare, which will supervise the administration of the law by counties and cities, estimates that one person in every 200 in the state will be eligible for old age assistance.

The state will pay half the costs; the local unit half. Estimating (as does the special commission which prepared the bill) that 51,000 persons will qualify for assistance and that each will receive about \$20 per month, the total expenditure for assistance alone will total \$12,400,000 the first year. Whether this sum represents much of a net increase in expenditures for relief to the aged over what private and public agencies have been spending for this purpose may be doubted. Many of the needy aged are already receiving public assistance in one form or another. What the new method provides is a more systematic procedure which will enable the aged to continue to live self-respecting lives in their homes or the homes of relatives or friends without the spectre of the poorhouse to darken their final years.

The new law is the result of a survey and report by the New York Commission on Old Age and Security. Sena-

tor Seabury C. Mastick was chairman, and Luther Gulick was director of the research staff.

Detroit Considers Voting Machines

* According to *Just A Minute*, the weekly leaflet of the Detroit

Bureau of Governmental Research, Oakley E. Distin, chief supervisor of the Detroit City Election Commission, has made a favorable report on voting machines and recommends their adoption by Detroit. For fifteen years Detroit has been distinguished for the excellent administration of its election law and Mr. Distin, a member of the National Municipal League's Committee on Election Administration, has gained national prominence as an expert election official. His opinion upon voting machines is, therefore, entitled to serious consideration.

The advantages of the machines are numerous. Results are known immediately after closing the polls. (The first time machines were used in New York City one board telephoned its results to headquarters less than two minutes after the polls had closed.) Expensive recounts are unnecessary; and election personnel is reduced and hours of work shortened, due to ability to accommodate more voters at a polling place. Machines now operate smoothly and are practically fool-proof. Possibilities of fraud are reduced.

The chief argument against the machine is the high cost of installation, particularly in jurisdictions which have the long ballot and must provide for a large assortment of candidates. In Detroit it is estimated that suitable voting machines would cost \$1,300 each, or about \$1,600,000 for the number that would be necessary. Upon a conservative estimate of the life of the machine, the amortization charges of

the capital amount would be approximately \$107,000 per annum. To offset this, it is estimated that there would be a saving of \$134,000 a year through the use of the machines. If the ballot could be shortened the cost would be materially reduced.

Taxicabs Held to be Public Utilities

* The taxicab industry can operate profitably in New York

City at the present rate of 15 cents for the first quarter mile and 5 cents for each succeeding quarter if an average of 50 per cent paid mileage can be obtained, asserts the Mayor's Committee on Taxicabs, Frank P. Walsh, chairman, in its report just published. Now, however, the paid mileage is only 44 per cent of total mileage and the industry is in a thoroughly unhealthy condition. It is to blame for many avoidable accidents and it is in the hands of operators without financial responsibility for accidents. Excessive cruising increases traffic congestion. In short the industry fails to provide the minimum standard of service to which the public is entitled. Conditions can be bettered only by encouraging its inevitable development into a "full-grown member of the public utility family."

Large scale responsible operation must be substituted for the 10,000 separate owners now controlling 19,500 cabs. Inclusive of tips the gross annual income of the taxicab business (invested capital \$40,000,000) amounts to \$144,000,000 from 346,000,000 passengers. Obviously a taxi ride is no longer a rich man's luxury. The major problem is that of facilitating transition to unified operation under public franchise.

The Mayor's Committee recommends that the industry be placed under the jurisdiction of the board of transportation and that operation be

subject to certificates of public convenience and necessity. Ability to assume full responsibility for liabilities incurred, ability to conduct efficient and economical operation, and public need for the number of cabs for which certificates are requested, are some of the tests to be applied before permission to operate will be granted. It is recommended that public control be extended, *inter alia*, to fixing rates and service standards, determining prior rights to color schemes and distinctive markings, requiring uniform accounting, preparation of a program of hack stands and operation to eliminate unnecessary cruising, and establishment of satisfactory employee working conditions.

It is significant that the committee recognizes unequivocally the industry's new status as a public utility. The industry itself, speaking through the National Association of Taxicab Owners, has accepted this new status and we may expect a rapid extension of public regulation into this field.

In view of the known advantages, as well as the latent possibilities, of this modern form of transportation, its public regulation should be more expeditious and effective than has been public control of other utilities. Surely experience has taught us something. At least for the present, large scale operation does not necessarily spell monopoly in this business; and governmental regulation should be relatively easy.

Already a number of states subject taxicabs to regulation by state agencies and the old issue of state versus local control of public utilities will be revived with much to be said for both sides.

In any case the days of the "Fresh Air Taxicab Company, Incorporated, Andrew Brown, president" are numbered.

English Investing Personnel in Local Government

The London *Municipal Journal* reports that the minister of health has appointed a committee to inquire into the recruitment, training and promotion of local government officers. The committee is the fulfillment of a recommendation of the recent Royal Commission on Local Government which reported last year.

The testimony submitted to the Royal Commission revealed that local government personnel policies are not 100 per cent satisfactory. Distinguished students such as Professor Graham Wallas, Dr. W. A. Robson and E. D. Simon (names familiar to readers of the REVIEW) presented cogent suggestions for reform. Dr. Robson's statement that certain practices of favoritism sometimes exist in appointment to local offices, verging dangerously on the spoils system, was not received sympathetically by the commission, but he cited enough cases to disturb official equanimity.

The significant parts of the testimony before the Royal Commission turned upon appointments to administrative posts in local government. Excluding the severely technical branches, youths generally enter the service when fifteen to eighteen years of age. They may expect to work up to the higher posts by the time they are thirty to forty years old. The custom of "articled pupils" is widespread. Youths apprentice themselves to high officials who receive often a money payment for the training they impart. Professor Wallas and Dr. Robson oppose this practice as open to gross abuse in its possibilities for favoritism.

In English local government objective tests of fitness have been employed but little. It would appear that the National Association of Local Government Officials (the organization of those who would be termed with us

municipal civil servants) has made some progress in persuading municipal councils to adopt minimum educational qualifications for entrance; but the selection of municipal employees remains, as a rule, on a personal basis. From the American viewpoint, the training offered by the technical and professional associations, which grant certificates to those who fulfill their requirements, would appear to be useful and effective as far as it goes. But, also from the American viewpoint, the trial and error method of recruiting the clerical and administrative staffs appears capable of fundamental improvement.

The burden of much of the testimony before the Royal Commission favored greater standardization of qualifications for entrance and promotion. While not proposing national competitive examinations, the recognition of local government as a national service was urged. Dr. Robson suggested a system of qualifying examinations conducted on a regional basis by local personnel commissions.

Mr. E. D. Simon, former lord mayor of Manchester, testified that "while it is relatively easy to get good technicians, lawyers, doctors, engineers or architects, it is a matter of the utmost difficulty to find administrative ability of the highest quality." The most available source of such ability, in his judgment, is to be found in university trained men, few of whom now enter the administrative side of local government. Professional officials are often university trained but training in a profession does not necessarily fit one for administrative positions.

The national civil service of England looks almost exclusively to the universities for its supply of future administrators. It is not so in English local government. How municipal service can attract university men will

doubtless be a chief consideration of the recently appointed departmental committee. The university graduate is older than the average young man who enters municipal government and it will be difficult to fit him in without doing violence to accepted traditions and current practices.

The chief trouble appears to be that local government service does not offer a career to a candidate who does not boast a technical or legal training. But one contention of English critics is that there is a science and an art of administration, for which a technical education is not a sufficient preparation; and that local government, after the analogy of the national government, should recognize the peculiar task of the administrator and provide a career for him.

It was impossible for witnesses before the Royal Commission to discuss the function of the administrator without making reference to the need of one supervising official as a coördinator of the various administrative departments of a city. It is more important, said some, that the town clerk be an administrator than a lawyer and it was urged that the position be opened to qualified administrators irrespective of their legal training. The example of the American city manager was cited by several witnesses as worthy of study. But the official members of the commission were not sympathetic to the manager idea and occasionally betrayed a delightful, although dogmatic, ignorance of just what our city managers are and do.

It will profit American experts to follow closely the survey and report of the minister of health's committee as it attempts to evolve national standards of local personnel management. One great need in the United States is a close tie-up between public service and educational training.

HEADLINES

The brief but spectacular career of Mayor Charles Bowles of Detroit ends when the recount shows Judge Frank Murphy unquestionably elected, and Bowles, baffled and weary, abandons plan to take his fight to the supreme court. Whereupon many other departmental officials join Bowles in private life—by request!

* * *

A public defender is hired by Cook county to fight the cases of penniless folk. Heretofore, the judge has appointed some law student to the job.

* * *

A proposed public improvement program in Philadelphia is abandoned when the city comptroller fixes the borrowing capacity at less than \$11,000,000.

* * *

Merger of the governments of Atlanta, Fulton and De Kalb counties, Georgia, is proposed.

* * *

Michigan voters will decide at the polls in November whether apportionment of seats in the House and the Senate should be on a straight population basis. The Michigan State Grange is fighting the proposed constitutional amendment fostered by the Wayne county board of supervisors.

* * *

Unemployment is the knottiest problem now facing city governments. Detroit's municipal bureau reports a registration of more than 75,000 unemployed. New York likewise. Thousands storm Cleveland's city hall when a special unemployment park bond issue is passed. More and more cities are making large appropriations to meet the emergency. And talk of unemployment insurance is becoming more and more common.

* * *

Almost as large a vote as during the 1928 presidential election was registered in Teaneck, New Jersey, when citizens turned out to elect five councilmen favorable to the city manager plan.

* * *

By a majority of more than 5,000, voters of Dallas, Texas, adopted the city manager plan this month. Four years of education have had their effect.

* * *

The Missouri state supreme court upholds St. Louis gasoline tax of one-half cent per gallon.

* * *

An amendment to the state constitution enabling St. Louis and St. Louis county to consolidate will be voted upon by Missouri voters at the November election. If it is adopted, proponents of the plan intend to submit a Greater St. Louis charter to vote of the city and county early in 1931.

* * *

Dallas bakers were outraged when they discovered a clause in the new charter giving the city power to "prescribe the weight, quality and price of bread manufactured or sold in Dallas." Then somebody looked into the old charter. This same provision had been there for twenty-three years!

Chicago apparently has not heard of the short ballot! Voters of the "pine-apple city" will have to mark a ballot next month a yard wide and four feet long in addition to three or four smaller ballots.

* * *

Budget estimates for 1931 presented to the Philadelphia city council by Mayor Mackey would lop from the city pay-roll more than seven thousand municipal job holders.

* * *

Detroit city council passes a new traffic ordinance giving judges discretionary power in speeding cases and permitting motorists to justify the speed even though it exceeded limits.

* * *

The county manager plan was defeated at a special election in Greene County, Georgia. Due to complications in the wording of the ballot, friends of the manager form of government in some instances unwittingly voted against it. The plan did not receive as many votes as there were names on the petition calling for the election!

* * *

Among other things, the Illinois League of Women Voters is supporting the following reforms: improvement of the election laws, permission for Illinois municipalities to adopt the city manager plan, extension of the merit system, and permission for counties to establish health departments.

* * *

Crisp County, Georgia, running the only county-owned power plant in the country and selling power 10 per cent below previously prevailing private rates, will not receive aid from the federal government in its fight for existence, Dr. Ray Lyman Wilbur, secretary of the interior, announces. The county plant faces trouble since the private company countered with a 35 per cent rate cut. Meanwhile court action is launched by the state power commission, ordering the private company to show cause why it did not reduce rates by the same amount all over Georgia.

* * *

The following cities are voting on the city manager plan at the November elections: Oakland and Ventura, California; Arkansas City, Kansas; Lexington and Newport, Kentucky; and Bedford, Ohio.

* * *

Permanent registration of voters, a proposition empowering the legislature to provide further state administrative consolidation, and one requiring the governor to call a constitutional convention are among initiative acts which will be presented to the voters of California at the November election.

* * *

A new contraption that looks like a mechanical ant-eater has been tried out in New York to remove ashes from buildings without the usual scattering of dust. A large rubber tube running from the machine to the basement of the building draws the ashes—vacuum cleaner fashion—at the rate of an ashcanful every thirty seconds.

HOWARD P. JONES.

AN APPRAISAL OF CINCINNATI'S EFFORTS TO MEET UNEMPLOYMENT

BY C. A. DYKSTRA AND F. K. HOEHLER

City Manager and Director of Welfare of Cincinnati

According to government reports Cincinnati's unemployment rate is lower than other large cities. This is a sequel to an article in the REVIEW for last May and describes the results of efforts to mitigate the hardships of business depression. :: :: :: :: :: ::

CINCINNATI, like every other city, has had considerable unemployment during the past twelve months. This city, heralded in many places as knowing the remedy, is just as troubled about her unemployed as is any other industrial center.

The annoyance may be less acute because Cincinnati is meeting the problems involved with a plan and because it is endeavoring to record intelligently results and experiments for future reference and relief.

There are many accomplishments which can be set down to the credit of the citizens of this community and the foresight of their leaders.

WORTH WHILE ACCOMPLISHMENTS

First among these is the recognition on the part of the government that city authorities have a definite responsibility in an emergency such as every industrial center in America is and has been facing. Furthermore, it has been acknowledged that responsibility entails leadership.

The second is undoubtedly the complete and unselfish coöperation of all elements in the community who should be united in reducing unemployment and its evil effects. Social agencies, The Community Chest, government units, the Chamber of Commerce, the University, labor organization and industry have supplied leaders and intel-

ligent counsel with no claim of credit or thought other than public service.

The organization of a PERMANENT Committee for stabilizing employment before there was a depression is, in itself, an accomplishment. The success in keeping that committee active for two years is another.

As in most cities, Cincinnati had no reliable data on the amount of employment and unemployment until May, 1929, when the first complete census of unemployment was taken. The Sub-Committee on Fact Finding which was responsible for this census began with it as a basis to accumulate current data. This sub-committee has provided the community with monthly employment figures which indicate, with a fair degree of accuracy, the current conditions and trend of employment.

An estimate of the success of Cincinnati's plan to relieve unemployment is difficult. Such estimates always are unsatisfactory when made at close range and when an adequate basis of comparison is lacking. Much of what we in Cincinnati regard as successful is of such intangible nature as to defy measurements. It is impossible now to register the amount of human interest displayed toward employees by employers. Only employers know where they have stretched a point to retain workers because of the educational efforts of the Sub-Committee on Con-

tinuous Employment. No one will ever record the degree by which local citizens reduced hunger and preserved self-respect as a consequence of the Cincinnati temporary employment effort, or because of the Industrial Relief Plan which worked so effectively during the past winter and spring.

EMPLOYMENT BUREAU STILL NEEDS IMPROVEMENT

At the Employment Bureau, where the Cincinnati Committee has felt definite improvements must be made, in physical equipment and in methods, very little has actually been accomplished. There is, however, a general awakening of interest on the part of employees at the Bureau and, in our opinion, on the part of the officials responsible for the appointment of employees. In both these groups there is a consensus of opinion for the need for improvements. Since the activities of this committee began two new employees have been added to the State-City Employment Bureau and one to the Junior Placement Division.

The recommendations for improvement from the Sub-Committee on the Employment Bureau are many. Actually a considerable amount of effort will be required before the Employment Bureau fills its proper place in the community.

TEMPORARY JOBS PROVIDED

The Sub-Committee on Temporary Employment has made two special efforts to provide temporary jobs for the unemployed. These efforts were made through a group of one hundred individuals representing all sections of the community and as many organized groups as possible. The results from these special efforts were not as great as the committee had hoped, but over a period of a month or two the employ-

ment bureau had calls from fifteen or twenty individuals a day offering temporary work. The publicity given to this movement, we are certain, provided other jobs direct to the unemployed from residents of the community. During this fall it is planned to have a pledge card signed by those persons who will agree to supply certain amounts of temporary employment.

STABILIZATION

The Committee on Continuous Employment has done some special work with individual employers and has certainly created interest on the part of many employers in the idea of stabilization. The largest employers, from the standpoint of capital investment in this community, have met on two occasions to discuss problems of stabilization. These meetings will be followed up when the present depression is at an end.

The Committee on Publicity and Education has performed the important task of creating interest on the part of employers and the community. It has also very successfully kept their confidence. This has been done by frankly stating the actual conditions each month, without any attempt to create an impression different from the actual state of business. A monthly bulletin is sent from the Employment Bureau to 3,500 employers in Cincinnati. This bulletin started early in 1929 has been very effective in advertising the Bureau to the employers of the community.

A series of radio talks was provided in order to create interest in the community and, if possible, in other communities. These talks have provoked considerable comment from those who listened in and more than two hundred copies have been made for distribution on request.

EXTENT OF UNEMPLOYMENT

The actual amount of unemployment in May, 1929, according to the census for unemployment was slightly over 6,000. The census of May, 1930, indicated that there were more than 12,000 unemployed with a much larger number employed only part time. The Fact Finding Committee, using as many as 21 sources from which to secure employment information, estimates that, at this time, September, 1930, there are 18,000 unemployed in the Cincinnati Industrial Area, which includes considerably more than geographic Cincinnati.

The Industrial Relief Program, which has made it a policy to supply a job wherever possible instead of relief, created more than 500 jobs during the past winter and spring and provided employment for nearly 3,000 heads of

families, at a cost of nearly \$48,000 for a period of four months. The Community Chest, in addition to this expenditure, has been very active in taking care of relief needs of the unemployed, at a cost of \$10,000 a month in addition to the regular relief.

A chart from the Transient Service Bureau indicates a greater increase of homeless men seeking assistance and the consequent mounting cost of the care of these homeless men. It is hoped these records will be analyzed carefully by one of the local research bureaus and will provide excellent material for comparison at later dates.

In short, while the actual accomplishments in this field have been small, it is felt that the community has approached the problem in a scientific manner and that the people have already been more than repaid for their efforts.

SOCIAL ACTIVITIES IN THE TOWN FOR THE MOTOR AGE

BY HENRY M. PROPPER

*Radburn is only a year and a half old, but it is already a community,
something more than a cluster of houses. :: :: :: :: ::*

LIKE Abou Ben Adhem, Radburn might have "led all the rest" had it been disposed to enter the "Fastest Growing City" competition which followed the completion of the recent federal census. In terms of per cent growth, it is somewhere up in the thousands and the actual figures are only slightly less startling when it is recalled that in 1928 its two square miles of site were devoted to farming. On April 25, 1929, Radburn's first family took up residence in the "Town for the Motor Age," giving it a total population of two. Twelve months later, it had 202

families and a population of 587, and by August, 1930, this figure had again increased to 275 families and a total population of 800.

This influx has brought together families from all sections of the metropolitan region and some from more remote points. Few if any knew each other before coming to Radburn. What have these people achieved in community life?

WHAT GOES ON IN RADBURN

One night a short time ago, the members of the Chess Club began to



EXAMINATION OF YOUNG RADBURNITE IN THE CHILDREN'S HOUSE

gather for their weekly game. They found the Library Committee was giving a dinner in the club room in the Plaza Building and that the dinner was a little too gay and noisy for the cloistered quiet a chess player likes. They decided to borrow the pastor's study, but the Play Discussion Group of the Dramatic Committee was holding a meeting there. Someone suggested that the assembly room might do, but this room was in requisition for choir practice. So they found a place in an office of one of the City Housing Corporation representatives and sat down there to an evening of serious play.

Almost any other evening might tell a similar story, with the substitution of an orchestra rehearsal for the choir practice, a Gardens Club meeting for the Dramatic Society, and so on almost indefinitely.

So many things are going on in Radburn, that if one were to attempt to list all of them, this brief article would be nothing more than a catalogue. All of these activities, or nearly all of them, are coördinated through the Radburn Citizens' Association, which had its beginning just about a year ago when Radburn numbered less than fifty families. The Citizens' Association meets once a month, and at that time all the residents may come out for general discussion of neighborhood or community problems. But most of its work is carried on through committees. There are too many to give a complete listing, but a few illustrations may serve to indicate the method of encouraging free self-expression in community life.

For example, there is a Gardens Committee which concerns itself di-

rectly with the community vegetable gardens, supervises the assignment of garden plots, offers lectures, etc. It also has fostered the Garden Homes Club, which is interested primarily in flowers and is affiliated with the New Jersey Federation of Gardens Clubs. Incidentally, the Radburn Garden Club, the youngest in the state, was the host of the State Federation at its meeting in May.

The Dramatic Committee, bringing together those interested in the drama, divides itself into two groups. Those who wish to produce plays form the Radburn Players and have established the Little Theatre in Radburn. Those who wish to study the drama form the Play Discussion Group.

The Sports and Games Committee has a group for chess, checkers and dominoes, a baseball nine, a tennis committee, an archery group, a gym committee and is in part responsible for the swimming instruction offered

at the Radburn community swimming pool.

WELFARE ACTIVITIES

The Public Health Committee has made arrangements for a visiting nurse service and has fostered the establishment of a Well-Baby Clinic in the Children's House. Arrangements have also been made for the physical examination of all children at regular intervals, in connection with the physical education program.

Last year, the Child Welfare Committee opened in the Children's House, under voluntary leadership, a nursery school, several play groups, a children's dramatic club and a handicraft center for boys. It also arranged courses in child study in connection with the extension service of Rutgers University. The nursery school has already outgrown the small group which made voluntary leadership feasible, and for the new school year will be in charge of



NATIONAL CHESS CHAMPION OUTPLAYING LOCAL CHAMPIONS ON GIANT CHESS BOARD



START OF SCOOTER RACE ALONG PEDESTRIAN WALK

a professional teacher trained in the methods of modern education.

The School and the Civic Affairs Committees were active in the campaign which resulted in the voting of a \$125,000 bond issue by the electors of Fair Lawn for Radburn's first public school. The school is now approaching completion and is planning to receive its first pupils in October.

A COHESIVE SOCIAL GROUP

This is not all and it takes into account nothing of the spontaneous social life that has sprung up so vigorously in this short time.

That the plan of Radburn and the many community facilities provided have had a substantial share in welding the residents of Radburn into a cohesive social group in so short a time cannot be doubted. From the experience gained in the building of Sunnyside Gardens and Radburn, it would appear that neighborliness and active community life depend not so much on the state of mind of the individual as they do on the physical facilities which either encourage or discourage them. At Radburn particularly the

opportunities for social and community contacts are many. As one resident put it recently, "I don't feel as if I were going somewhere to attend a meeting at the Plaza Building. It is just like walking across the campus." He referred, of course, to the pedestrian walks which fringe the parks in the center of Radburn super-blocks, which give Radburn not only a safe place but a pleasant place to walk where people are really again enjoying strolling. The practice has grown almost from the time when the first families moved in, to stroll along these walks of an evening, and this has helped to get families to know one another. They have become acquainted passing and re-passing each other along the walks, in rooting at the baseball games, in watching tennis matches, or in swimming at the pool. It is rather difficult to be stand-offish in a bathing suit and the pool has been one of Radburn's most popular attractions during the past summer.

Taken all in all, one is well justified in saying that for a community little more than a year old, Radburn is a lusty youngster.

PENNSYLVANIA CLEARS HER HIGHWAYS

BY J. HORACE McFARLAND

Past President, American Civic Association

In two weeks last summer the Pennsylvania highway department, acting under the Woodruff Law, removed 24,843 illegal signs from public rights of way and 7,391 signs on private lands after conference with owners. State authorities are working to preserve Pennsylvania's great scenic beauty. :: :: :: :: :: :: :: ::

THE Keystone State has been fortunate in its legislation looking toward the protection of its highways from selfish private advertising. It is an interesting fact to bring to national attention that the former secretary of the National Municipal League, Clinton Rogers Woodruff, while a member of the Pennsylvania legislature, put through the Act of March 10, 1903, making illegal all private advertising on the highways, save with the previously obtained written consent of the owner of the property concerned, and on trees. Another act got through, under the American system of as many laws as possible without reference to any previously enacted, but the major reliance has been on the Woodruff bill.

Then there has been recently the strongest disposition to add to the power of the highway department in the protection of the highways, and in an altogether too slow recognition of the magnificent quality of Pennsylvania's scenery. Long disregarded by those who traveled elsewhere to see mountains, valleys, streams, and the like, attractive in their picturesque character, Pennsylvania is now coming to its own as a state of unsurpassed scenic attractiveness. Much of this appreciation is due to the present ideals of the state highway officials, who have located new highways and revised old highways to make obvious

and accessible to motorists the beauties of the Keystone State.

While the so-called "Buckman Bill," which I prepared in 1925 after consultation with many legal authorities, including an assistant attorney general of the United States, and which placed signs on private property under the jurisdiction of the state highway authority with instructions to license only such as in his judgment did not interfere with the public safety by distracting attention from the increasing dangers of the road, did not pass because of the efficiency of the billboard lobby, either when offered in 1925 or when again presented in 1929, these same state highway officials did get through what is known as the "Wheat Law." It was approved June 14, 1923, and provides that the highway authority may condemn a view which is being interfered with, restoring the property to its owner on condition that he grows on it nothing taller than a crop of wheat.

ATTITUDE OF COURTS

Pennsylvania judges have been rather definite in their support of the English common law provisions, under which the public highways are actually public property, not to be intruded upon for private interest. With this disposition a constitutional amendment has not been needed to clear the

state highways of private intrusions, and for many years there has been increasing resistance to the "sniping" attempts of those who want to use the public property for private advantage.

In this effort the organized Outdoor Advertising Association of Pennsylvania has been properly sympathetic, it is only fair to say. Its secretary writes: "In the past six years our organization has conducted clean-up campaigns that have resulted in the removal of over 200,000 illegal small signs, thousands of them cards of political candidates, many of them at the time holding office and sworn to uphold the laws."

In the present Fisher administration, the secretary of highways, James Lyall Stuart, and his engineers have been anxious not only to rid the state of these sign intrusions so far as the law permitted, but definitely to beautify the highways by planting for protection and beautification. A separate department has been created, in charge of a "highway forester," who has a considerable force at his command in each highway district and who has been provided, by transfer from the forest department, with an admirably located nursery of several hundred acres in which are grown the trees, vines and shrubs deemed best for improving Pennsylvania highways. Latterly the ideal has been to use, so far as practicable, the material native in the immediate vicinity of improvement, whether raised there or not, so that as far as possible the highway decoration would be a restoration to the natural conditions of "Penn's Woods." Frankly, I take some pride in this particular ideal, because it was the basis of the presidential address delivered at the Country Planning Conference of the American Civic Association held in Amherst, Massachusetts, in October, 1920.

THE CLEAN-UP DRIVE LAST SUMMER

On June 23 there went out to "All Division Engineers, Maintenance Superintendents and Division Foresters" the announcement that the annual campaign of the authorities against illegal signs was to be "started at once and completed by July 15." These illegal signs were defined as "those erected within the legal limits of a state highway right-of-way, and those erected on private land or those remaining on private land after the annual rental has expired, without the consent of the landowner." The procedure to be followed was described as follows:

... The caretaker will inquire of property owners if permission was obtained for the erection of signs. If no permission was granted and with the approval of the property owner, such signs are to be removed. If the landowner granted permission or does not want the signs removed, the signs should not be disturbed.

It was made clearly apparent that this campaign was directed particularly against the "small cardboard, cloth, tin, steel and wood signs commonly called 'snipe' signs."

With increasing enthusiasm due to a most admirable acceptance of the new ideals for highway beautification, the district workers went at the job. There were removed, in consequence, in the eight highway districts, a total of 24,834 illegal signs. By conference with property owners there were removed also from private lands as visible from the public highway, 7,391 additional signs, making a grand total for the two weeks' effort of 32,225 signs.

"POSTER BOARDS"

Let there be no misunderstanding. This campaign did not touch the so-called "poster boards," as the bill-

board folks like to call them, though we who love Pennsylvania scenery would rather call them plain "billboards." These are maintained on private land, not infrequently at considerable distance from the public highway but depending entirely for their assumed value to the advertiser on proximity to the public highway and on being read by those who use these same state-paid-for and state-maintained highways. The state's skirts are clear so far as intrusions on the public right-of-way owned by the state are concerned. The citizens of the state, however, are yet culpably guilty of permitting, not infrequently for a definite consideration, intrusion upon sight from the public highway of these selfish private announcements, as they rent their premises for billboards.

The Outdoor Advertising Association of Pennsylvania realizes the growing irritation of the public at these signs, and its officers have manifested a commendable disposition to confer, and sometimes even to yield, with respect to sign locations that may be said to obscure satisfactory scenery. Despite this fine spirit, it must be both admitted and insisted that improvement under its influence always rests on the judgment of someone who has a private advertising interest as to what constitutes interference with the state's scenic beauty. I can recall a case in which I objected to a sign newly obtruded, as is the practice, on a just-completed concrete highway in a lovely valley. Report was made to the authorities that the sign was many miles from the beauty-spot I was trying to protect, and that it hid an unpleasant dump. The facts were otherwise, and the sign was moved some five miles to a location less glaringly unpleasant.

MANY BILLBOARDS REPEL WOULD-BE CUSTOMERS

No one can truthfully accuse me of opposition to all outdoor advertising. I cannot, however, admit the propriety of spreading that outdoor advertising all over the state. I know it is ugly and unfortunate for the state in its hiding of the scenery, and I very greatly doubt its adequacy as advertising. In fact, if I may be influenced by the remarks I hear, these signs erected on private property, visible from highways maintained by the state wholly or in part, quite frequently advertise with complete adequacy what *not* to buy. The Keystone State will not be effectively "Pennsylvania Beautiful" until there has been a definite segregation of such advertising signs as may eventually be permitted within the limits of public safety, as well as public beauty; and until there is a reduction in their area, and I think consequently, an increase in that attractive quality upon which true advertising must depend. The outdoor advertising interests, unless they announce a campaign of restriction and segregation, will undoubtedly be moving themselves off the map. Meanwhile, those who love the state for its beauty and those who desire to travel in safety along its magnificent, well-built highways, will continue to deprecate the hiding of that beauty by signs, and also the diversion of attention which increasingly adds to the dangers of the highways. I do not know how many deaths, how many damaging accidents, are properly attributable to the signs that tend to divert the motorist from his job of avoiding danger, but I suspect the proportion is a painfully large one.

THE TAXLESS CITY

BY ROGER W. BABSON

Babson Park, Massachusetts

Municipal administration is primarily a business matter. Why shouldn't a city make a profit. There is nothing sacred in its being run at a loss. :: :: :: :: :: :: :: :: ::

TAXES have become a problem of major importance. Moreover, it is a problem which is constantly becoming more pressing. In the cost of living, the item of taxes is in many ways the most onerous,—not only because it is of great size but because it yields the smallest personal satisfaction. People are willing to work for necessities and pleasures, but it galls them to be mulcted for a cost which is totally unnecessary and anything but pleasurable. Even before the days of depression, the average annual income of the typical family probably did not exceed \$1,500. Including federal, state, and city governments, the total government cost per family of five has been estimated at close to \$550. That is, the cost of government per family runs over one-third of the family income. It seems safe to say that at least twenty-five per cent of family income goes out in taxes, and in certain localities it is said that over half the family income is thus consumed.

It would seem that the imposition of taxes of this staggering amount would long ago have caused rebellion if not revolution. The reason why the public has not writhed more violently under the punishment is because taxation works in the dark. The taxes we pay are not laid upon us in a single charge, but are secreted in every bill and sales-slip. This concealment can continue for a time, but not forever. The day must ultimately arrive when

the impact of taxes will become so terrific that people will wake up to the situation and perceive the plague which is penalizing business, punishing the public, and menacing the entire nation. There is every reason, therefore, for working to bring about the taxless city. Fortunately this is a goal which can be reached rather easily. In fact the difficulties are not of an economic or mechanical nature, but due almost entirely to human nature with its blind clinging to tradition, and its hostility to change.

The real obstacles to be surmounted in achieving the taxless city are prejudice, selfishness, ignorance and indifference—not any impossibilities or difficulties inherent in the project itself. The reorganization necessary to give us the taxless city is not radically different from the procedure we follow when reorganizing a corporation which has been mismanaged and run down. In reorganizing a corporation we set out to accomplish two things: To prune needless costs and to provide greater income. The same simple formula can be applied to government—which Mr. Edison is said to have condemned as the most mismanaged business on earth.

LIGHTENING THE TAX LOAD THROUGH MORE EFFICIENCY

Preventable wastes in government are so numerous that it would be a big undertaking even to catalog them. I shall not attempt to list all, or even a

considerable part, of the needless costs which must be abolished as a first step toward our objective of a taxless city. Instead I shall merely mention certain wastes which are typical of the dissipation running through the whole fabric of our present government.

For example, if the legislative bodies of the nation would give their energies to the elimination of unnecessary laws, the resulting savings would be prodigious. Our ponderous statute books are choked with the "cumulative errors" of generations. A considerable part of existing laws is either out-of-date or out-of-place. While in force, they must be obeyed; observance of law is the corner-stone of democracy. The more we attempt to cover every conceivable situation by minute rules, the more surely we shall fail to produce a reign of law and order. Our lawgivers seem to feel that the making of laws, like the making of goods, should achieve mass production. The only way we can hope ever to cope with the growing complexity of the present and future is not by amassing minute rules, but by developing fundamental principles.

Where would the chemists and the physicists, the metallurgists and the engineers, be today if they had undertaken to prescribe for each individual reaction? Their toil has been to discover how to summarize infinite variety in the fewest possible basic principles. The measure of efficiency in legislation should be its value and not its volume. A thorough review and renovation of the statutes would save waste not only for the congresses but for the courts. The importance of efficiency in making and enforcing laws is very important; I advocate that a law should be automatically repealed at fixed intervals unless specifically renewed. This would serve at least to free us from the burden of obsolescence.

WASTE IN EDUCATION

Another vast field for the elimination of waste is in education. Apparently our schools, in the main, have yet to catch the vision of efficiency which has done so much to advance other fields of civilization. There are various courses, upon which the typical school is throwing away fortunes in money and time, which should be wiped bodily from the program. In every course there is a failure to use labor-saving methods, both manual and mental. Consider for instance a detail such as the correcting of examinations and exercises. In large part these could be arranged so that the pupils' work could be graded by modern computing devices, freeing the teacher from futile drudging and giving new time for real teaching.

Another outstanding example of preventable costs is the overlapping of federal, state and city governments. Nobody wants to see a reckless and indiscriminate centralization. Much of the present duplication, however, serves no useful purpose. It is merely the product of blindness, indifference, or selfishness. It reflects not true economic requirements but uneconomic politics. Here again, we have a situation where a useful lesson can be learned from a comparison with business. Very frequently several concerns have been merged into a single corporation and incredible economies have resulted from doing away with needless duplications. This same principle, which has been such a big success in business, can be adapted to the needs of government and adopted with the same success.

As now practiced, the expenditure of public funds could hardly be arranged to offer greater temptations to carelessness and selfishness. As long as the continuance of careers depends upon votes, and as long as votes depend

upon "pork," politicians will continue to vie with each other as to who can squander the public's money most lavishly. One of the most dangerous and disastrous weaknesses of human nature is the habit of applauding the politicians who cause the greatest expenditures and forgetting that these prodigals are likewise causing the greatest costs. In working for the taxless city, therefore, every effort should be made to educate the public to look upon the extravagant politician not as a dispenser of jobs and favors, but an imposer of costs and taxes.

UTILIZATION OF PERMISSIBLE PROFITS

Government, however, like business cannot exist merely by cutting costs. The life blood of business is income, and income is likewise the vital essence of a taxless city. It is possible to find many ways in which a municipality can make money without falling into the pitfalls of socialism. The perils of socialism are so real and grave that many people make the mistake of opposing all government activities indiscriminately. It is a fallacy to think that the way for a government to keep clear of socialism is to run at a loss, and that a government becomes socialistic when it makes a profit. Questions of profit and loss are entirely irrelevant. The test is not whether the municipality is making money or losing, but rather whether the activity in question is one which can more efficiently be formed as a private enterprise or as a public function. The test is not profit but propriety. If we can only rid ourselves from this delusion that there is something sacred about loss and something pernicious about profit, we shall at once open our eyes to a multitude of ways in which a city can make money

without the slightest departure from the soundest principles of economics.

One of the most dangerous foes of democracy is the well-meaning but short-sighted citizen who demands that democracy shall be insolvent rather than solvent and that it shall be a subsidized philanthropy rather than a paying proposition. If you are against democracy, the surest way to put it out of business is to throw it into bankruptcy. A solvent and self-supporting business is the only one which can endure, and the city which pays its own way instead of hobbling on the crutch of inflated taxes is the only municipality which can permanently remain. The taxless city is not one of those trick communities set up by sweet people whose hearts are bigger than their heads, but a city which will rest on the bedrock of sound economics. It should be viewed not in the guise of a luxury but rather a necessity.

The need for developing such a city is constantly becoming more urgent as taxes become more grievous. A start was apparently made in Washington toward lessening federal taxes, but the total levies of federal, state and city governments are rising rather than falling. There was a time when the taxpayer could figure that he sacrificed for taxation about a week a year; but we are approaching such a pass that unless conditions are corrected people may presently be spending for taxes about a week a month. It is important to keep always in mind that people are paying taxes even if they never get a tax bill. Some of those who flatter themselves that they are legitimately evading taxes are the very ones on whom taxation rests more heavily, as would be seen if costs were individually itemized.

Business men naturally perceive situations of this kind more promptly and clearly than those not versed in

economics. Business men in picking out a location for manufacturing or merchandising seek the city where taxes are most rational and shun the city where taxes are more confiscatory. Likewise among the communities themselves, here and there you find a city which has the intelligence and foresight to realize that it can attract the most substantial and desirable type of citizen, only as it offers him sane taxation.

The need for a taxless city becomes the more apparent as we examine existing cities and observe taxation's lack of uniform practice and systematized principle. When a business man finds improvement and progress in one branch of his business, he tries to extend the same benefits to all the branches. Progress toward the taxless city will be greatly promoted by taking advantage of the most promising governmental inventions and the most practical municipal discoveries wherever they may appear throughout the country.

STEPS TOWARD THE TAXLESS CITY

Unquestionably the city manager plan is a step forward. But its real interest is not so much in the meager results already achieved under adverse conditions as the forecast which it gives of what can be accomplished when we strive for a taxless city with our full sincerity and strength. Among other ways and means which will contribute toward the taxless city are the following: Budgets which are in practice, as well as on paper; long-range planning of public improvements in place of piecemeal response to necessity or whim; complete and continuous application of best modern methods throughout; efficient but rigorous accounting and auditing; simplification, standardization and centralization not only in all purchasing but in all other activi-

ties as well; reorganization of federal, state and local governments as to functions and taxes to avoid duplication without impairment of dovetailing; the improved coördination of local, state and federal highways; systematizing of fees and licenses to produce bigger revenues as well as better service; pegging the top limit of per capita debt by educating the people to the serious plight in which they have placed themselves; diffusion of knowledge that the greater taxes grow, the smaller become our hopes of successful democracy. The foregoing represent ideas endorsed by the business men as they found expression at a meeting of the United States Chamber of Commerce.

What is needed, however, is not merely to plug the bungholes of waste but to open the spigots of income. Everybody will admit in theory at least that something ought to be done to decrease waste. There will be very little open opposition to proposals for reducing government costs. Not so, however, when we turn to the companion problem of increasing government income. Here is a field which adjoins government ownership and operation, and therefore becomes debatable ground. To avoid futile controversy and to keep our bearings, it is well to stick to the basic principle of efficiency. Activities which ought to be carried on most efficiently by private enterprises should be left to these corporations. Activities which ought to be carried on most efficiently by the government should be thus handled. We should not be scared by mere words such as "government ownership and operation."

Those who have studied the subject from the technical viewpoint report that a city can develop an important source of income in the disposal of garbage, sewage, trash and ashes.

Our municipalities have hardly begun to take advantage of the inventions and discoveries in this field which make possible the reclamation and utilization of what were formerly our waste products. By constructing multi-decked streets in congested districts, the city could develop a source of large income.

TURNING THE PARKING PROBLEM INTO PROFIT

One of the most practical and promising sources of income for a city is connected with the parking problem. There are great possibilities in metered parking, not only for bringing order out of a chaotic situation but also for giving the city which adopts this progressive policy a source of great revenue. Thousands of motorists would welcome the opportunity of parking their cars at the curb in a safe and systematic manner. They would willingly deposit 25 cents in the curb meter for the privilege of parking, just as they drop a quarter in the gas meter in payment for lighting.

A successful machine has already been designed for installation at the curb of the street. Each motorist is provided with a combination-lock plug. Upon parking his car, he inserts his plug in the meter standing at the curb. After a given time the plug can be withdrawn by dropping a coin in the meter and thus tripping the locking mechanism and releasing the plug. If the motorist in a moment of carelessness or an attempt to beat the game should drive away and leave the plug in the meter, his identity would be promptly disclosed to the police, because each of the numbered plugs is registered in the name of the motorist to whom it was given out. The abandoned plug would betray its owner as promptly as if he had left behind his car. If the motorist upon

drawing up at the curb fails to insert his plug in the meter, the accidental or intentional oversight would be promptly disclosed to the police because there would fail to appear above the meter the red light which shows that a car is parked legally.

The police would be relieved of the needless labor of timing and tagging. They would have complete control of conditions simply by noting: First, any parked cars above which a red light failed to show as these cars would be parked without the insertion of the plug in the meter; second, any plugs left in the meters without the presence of cars as these would belong to registered owners who had driven away without depositing the required coin. The whole plan would be a boon to self-respecting motorists, a blessing to the harassed police and a source of substantial income to the city.

I have explained this plan at some length because it is such an excellent example of what can be accomplished toward increasing a city's revenue, if only we attack the problem with sufficient intelligence and energy.

The issue of whether a city should increase its income through the sale of water, electricity and gas is a question almost sure to start a fight anywhere. I believe that indiscriminate public ownership and operation of any and all utilities might lead to evils worse than taxes. My own opinion is that it would be possible to work out some way in which a city could participate in utilities as a partner or stockholder and derive an income therefrom, without stumbling into socialism.

URGENCY OF THE SITUATION

A movement in these directions would help to set us on our way toward a taxless city. It is an objective the urgency of which impresses us increasingly as we survey the rate at which

taxation is rising. Unless a halt is called and the tide is turned in the opposite direction, we shall presently be saddled with a burden of fifty dollars per capita for federal levies alone. Add twenty-five dollars more for state levies and then a crushing climax of possibly \$100 for city costs and you will get a figure approaching \$200 per person per year as the monetary measure of the "Old Man of the Sea" which each of us will presently bear on our necks if we submit to the inflation of taxes now in such rapid progress.

Consequently we have included federal and state government in this discussion of a taxless city. The municipal burden upon the citizen can be effectively eased only as the city in turn rids itself of the impositions of the state and as the state shakes off the millstones of federal taxes. Moreover, just as the reduction of costs must be accomplished by city, state and federal government alike, enlargement of revenue should be developed by all three spheres of government.

The whole subject of taxation is smothered in a most unfortunate psychology. Taxation is a theme for which the average man has small relish and usually a positive distaste. On the practical side, taxation has been turned over as the prey of politicians; while on the theoretical side it has been relegated as the sport of theorists and those whom we rudely call "cranks" and "nuts." One reason why the public in general shows little intelligent interest in taxation is because it has been regarded with a kind of fatalism as a necessary evil like death, which needs no contemplation because it affords no escape.

Under present tendencies, however, the nation cannot long continue in this lethargy. A rising flood of taxes is

creating a situation which in the near future will become so critical that it will compel attention, analysis, and action. Danger-signs should be heeded alike by business men who are being taxed out of existence and by their customers whose purchasing power is being stealthily confiscated. History shows that a population has great powers of tolerance. Conditions may become exceedingly severe before they become finally insufferable; but there is always a critical degree or "flashing point"; and when this is exceeded, we get the inevitable explosion.

Temporary hard times the public can withstand and survive. According to the law of action and reaction, a period of prosperity generates weaknesses which bring on a readjustment; depression in turn develops the qualities which are the foundation of another period of prosperity. If held within reasonable limits, periodic ups and downs of business need not permanently injure a nation; in fact, it might almost seem that a moderate ebb and flow of economic activity may produce a hardy nation just as the alternation of seasons is said to create superior constitutions among the peoples of the variable climes. The evil of taxation, however, is not periodic but cumulative. It is persistently and increasingly sapping our economic strength.

The question now at hand is not whether we shall exert ourselves to bring about the taxless city but rather how soon we shall adopt this only possible remedy for a situation steadily becoming more impossible. Shall we delay until we are in the midst of an actual economic and social upheaval or shall we foresee that contingency and forestall it by tackling the job at once?

QUAINT ELECTRIC RATES

BY MORRIS LLEWELLYN COOKE

A lesson drawn from existing electric rates on the Island of Nantucket. :: :: :: :: :: :: :: ::

FIVE or six years ago, when making the field studies for the Giant Power Survey during Governor Pinchot's administration, we came upon one instance of a 30-cent per kilowatt-hour rate for domestic electric service. Realizing that any such rate was—speaking biologically—a sport, it was brought to the attention of the genial head of the holding company responsible. When some months later our report was drafted this particular rate had dropped to 15 cents per kw. h.

This incident had all but escaped my memory when this summer I visited the Island of Nantucket, about thirty miles off the Massachusetts coast, and discovered these rates now current there:

Nantucket—all year service—20 cents per kw. h.

Nantucket—summer service—26 cents per kw. h.

Sconset—summer service—28 cents per kw. h.¹

These Nantucket rates—as was the case with the 30-cent Pennsylvania rate—represent a day that is com-

¹ Readers of this REVIEW will be specially interested in the fact that among the Sconset rate-payers is the Hon. Frederic C. Howe, one-time lieutenant of Tom Johnson, later U. S. immigration commissioner at New York City and still later major-domo in the army of five million who voted for LaFollette for President. Fred takes these high rates unemotionally as he does other features of the Nantucket milieu, such as the wonderful bathing, narrow streets, incomparable lobsters and fog-swept golf courses.

pletely gone. They are what they are not because anyone can be found to defend them, but rather because they have never been questioned. No one should assume that equitable electric rates come more or less automatically under our system of regulation. Rather are they the product of some vigilance. There are probably thousands of these quaint electric rates throughout the United States which can be reduced almost for the asking if—someone will take the trouble.

PROBABLY NO HIGHER RATES IN THE U. S.

There may be a higher rate somewhere in the United States than the 26 cents per kilowatt-hour for the first 50 kw. h. charged by the Citizens' Gas, Electric and Power Company for summer service in Nantucket (28 cents per kw. h. in Siasconset); but if so, I have never heard of it. And I have been specially interested in this field for some years past. It is not only the top rate that is high. Even more unusual is the fact that the average rate for all metered customers appears to be 16.4 cents per kw. h. A quite common private company average for comparable plants would be 4 to 6 cents per kw. h. In territories where a considerable part of the current is used for power this average would be between 2 and 3 cents. In the case of many, many privately-owned plants all over the United States operating under generally comparable conditions to those found in Nantucket, 10 cents is the top rate. In advance

of a careful study of all the data, one hesitates to be dogmatic in such a matter, but, based on the facts before me, 10 cents would appear to be an altogether adequate top rate for Nantucket even for summer service. "Quaint," although not the only word which describes a 26- or a 28-cent rate for electricity under present-day conditions, suits our purpose.

There are no unusual handicaps in providing electric service on the Island of Nantucket even if it is thirty miles offshore. True, it is not "tied in"—as the expression goes—with a widespread interconnected system. But this situation is not unknown on the mainland. Publicly-owned plants are quite usually as isolated as is the Nantucket plant. This is true, for instance, of the municipal plants at Springfield, Illinois, with a top rate of 4.8 cents; of Hudson, Massachusetts, with a 5-cent top rate and Jamestown, New York, with a 4-cent top rate; and of scores of others in smaller communities among which even a top rate of 10 cents would be exceptionally high.

Notwithstanding the limited use of electricity for manufacturing in Nantucket, the average annual use per customer (440 kw. h.) is quite satisfactory considering the high rates—higher, in fact, than is the case with the great majority of small plants in Pennsylvania charging much lower rates. The special value of a domestic load is being demonstrated during the current depression. While the industrial demand for electricity has gone off considerably, reports show that the domestic use is forging ahead more rapidly than ever before. It has long been recognized that the use of electricity in the home does not vary with the business cycle. The gas business done by the Nantucket company does not appear to be as good a revenue

producer as the electric business. But this should not act to raise electric rates. Each service is supposed to stand on its own feet.

DEEP MYSTERY SURROUNDING RATE QUESTION

The electrical industry has—to a very large extent I believe unwittingly—succeeded in surrounding the rate question with an air of deep mystery. Certainly the attitude of the public toward electric rates is quite in contrast to that frequently displayed in the discussion, for instance, of gas rates. It appears to be as much a part of the American tradition to know what a gas rate or a street-car fare ought to be as it is to know how to handle a squirrel gun, to have well-shined shoes or to live in a house with a tight roof. But in the face of an obviously extortionate rate for electricity, we stand almost impotent whether it be a Jerseyman paying 9 cents, a Kansas farmer paying 15, a citizen of Yonkers (N. Y.) paying 11 or a Nantucketer paying 26 and 28 cents per kw. h.

As explained in a pamphlet, "On the Cost of Distributing Electricity,"¹ the whole cost of domestic electric service is made up of four items: (1) generating the current, (2) transmitting the current to some center of distribution, (3) distributing the current or taking it from the high tension substation at the end of the transmission line to the wires which enter the house, and (4) general expense—officers' salaries and other relatively minor items which cannot be directly allocated to generation transmission or distribution. Perhaps "other relatively minor

¹ This pamphlet and its consort, "What Price Electricity for Our Homes?" can be secured free of charge—through the generosity of a friend of good government—upon application to the writer at 1520 Locust Street, Philadelphia, Pennsylvania.

items" should be put in quotation marks, because it is under this head one frequently finds inflated operating entries growing out of the holding company relationship which are anything but "minor." Legitimate general expense items will be of the order of 10 per cent of the whole cost.

THREE CENTS MAXIMUM COST OF GENERATION

It may cost about 2 cents per kw. h. to generate Nantucket's current—certainly not over 3 cents per kw. h. Diesel engine installations much smaller than that of the citizens' company are sold on cost guarantees considerably lower than these estimates. In the Worcester (Mass.) electric case, recently heard by the Massachusetts Public Service Commission, the generation cost was fixed at just over one cent per kw. h., and the station equipment used is not as modern as is found in Nantucket. In the Federal Trade Commission investigation costs for current have ranged as low as one-fourth cent and rarely above one cent. Coal costs the Nantucket company on the average about \$5.00 a ton—which is not more than a dollar a ton above what our electric companies pay here in Pennsylvania. Nor is this price materially different from what is paid on an average at low-cost New England generating stations. So there does not appear to be anything in the generation expense to warrant an unusual price. The territory covered by the Nantucket electric company is so limited that the *transmission* expense is negligible.

The *distribution* cost should be practically as low as it is anywhere. The settlements in the Town of Nantucket are fairly compact and yet on a quasi-rural basis where there is no necessity for underground work or other expensive construction. The dis-

tribution cost would probably¹ not be more per kw. h. than in a town like Worcester (Mass.), where the top rate for electricity is 5 cents per kw. h. There are only 44 miles of transmission and distribution lines on the Island giving an average of nearly 30 customers to the mile.

Distribution is just as necessary in Ottawa (Ontario) as it is in Nantucket. Yet in this Canadian city the average whole cost of electricity to the domestic consumers in 1928 was less than one cent per kw. h.—eighty-seven hundredths of one cent to be exact.² Ottawa is immediately adjacent to one of the cheapest water powers in the world, so transmission expense is at a minimum. Because of the cheapness of the current the average householder uses approximately 2500 kw. h. annually—slightly less than six times the current average American consumption. But having said all this, the distribution paraphernalia and methods used in Ottawa must necessarily be largely identical with those used in Nantucket. There is no obvious reason why the capital outlay per customer for distribution

¹ As to distribution costs one must rely largely upon individual opinion. Curiously enough, there are no commonly accepted standards as to distribution costs as there are for generation, transmission and other features of electric service. Distribution expense is an item peculiar to domestic service. It has never been discussed before any engineering or other technical gathering in this country. This all-important technical detail is held to lie outside the field of engineering. Its discussion is virtually prohibited.

² See "Economic Aspects of Electrical Supply in the House and on the Farm," by F. A. Gaby, D.Sc., M.E.I.C., Chief Engineer Hydro-Electric Commission of Ontario, Canada, a paper presented before Second World Power Congress, Berlin, Germany, June 16-25, 1930, and reprinted in the July, 1930 issue of *The Engineering Journal*, published by the Engineering Institute of Canada, 2050 Mansfield Street, Montreal, P. Q.

equipment in the two places should be different.

DISTRIBUTION COSTS IN OTTAWA

The only reason for a lower distribution cost per kilowatt hour in Ottawa is that more units of electricity pass over the wires in a given time. After all, the whole expense for generation, transmission, distribution and general is included in the price per kw. h. of 0.87 of one cent average rate. Allow two and a half mills per kw. h. for the current, transmitting it and general expense, and there remains slightly over six mills as the whole cost of distribution. Say distribution expense in Nantucket is five times as much as it is in Ottawa, or about 3 cents per kw. h. Using the 10 cents which has been suggested as a proper top rate and allowing 2 to 3 cents for the current, you still have 4 to 5 cents left wherewith to pay general expenses, taxes, depreciation and fixed charges.

Almost any other community in Ontario would have been practically as useful as Ottawa in making the foregoing computation. Indeed the average selling price—which is cost—per kw. h. for the province as a whole was 1.71 cents in 1928, as contrasted with an average in the United States of between 6 and 7 cents per kw. h., which price, of course, includes (1) about 8 per cent for taxes and (2) the profit item; neither of which is required under the Ontario publicly-owned system. But more striking even than this is the fact that the average whole cost for domestic electricity in 188 villages in Ontario under 2,000 population was only 2.8 cents in 1928. Distribution is necessarily a factor in domestic electric service everywhere. There is nothing inherent in the Ontario situation making possible results different from those that can be obtained elsewhere. Says

Chief Engineer Gaby: "The water powers of Ontario are in no sense phenomenal, and the low costs of service to consumers which prevail in the province cannot be attributed solely, or even principally to low costs of generation, *per se*." And notwithstanding this low cost of power he says: "The costs of bulk power to municipal utilities materially exceed the costs for distribution within the municipality."

NANTUCKET COMPANY WELL MANAGED

Judging by the data to be found in Moody's Manual about this Nantucket company, the ratio of gross receipts to operating expenses indicates a reasonably high level of management. Neither the load factor (about 32 per cent) nor the annual use factor—notwithstanding the large proportion of summer residents—appear unfavorable. But an installed capacity of 1125 kw. to handle a maximum load of 357 kw. does give one pause! Two theories suggest themselves—either the company has largely overbuilt to meet prospective future needs or, after recently installing some modern generating units, failed to write off its unused or obsolete equipment.

This discussion of the Nantucket situation really has quite a broad application. Relatively few domestic rates among the tens of thousands rest on any substantial factual basis or come near meeting such a standard for instance as "cost plus a reasonable profit." The differences between American and Canadian costs and charges are so great as to tax one's credulity. "Are we talking about comparable things?" one is almost forced to ask. Such differences can only be accounted for by the fact that at every construction and operating stage unusual tribute is exacted here in this country, with the net result that

our rates are so high as to preclude generous use and the social economies that go with it. Unless we can break this vicious circle, electric service in the home and on the farm will remain but the shadow of what it might be, and what it actually *is* in Canada and in parts of Europe.

Our high rates for domestic service lead more or less directly to the abuses of holding companies such as 100 per cent over-night "write-ups," management contracts at fees four times the cost of the service, loans at usurious rates, etc.—as is now being developed by the Federal Trade Commission investigation. The margins afforded by the high rates for domestic service are too much to be resisted by normal promoters. It will be recalled that while only about 21 per cent of the current generated is used in domestic service almost two-thirds of the revenue is received therefor.¹

MISPLACED CONFIDENCE IN PUBLIC SERVICE COMMISSIONS

The domestic electric rate situation is what it is largely because the people have been led to believe that the public interest is being adequately safeguarded by our public service commissions and that current rates have—in some measure at least—been adjudicated. Through the high-powered advertising of the private companies this statement has been so broadly and repeatedly made that even well-posted citizens are left with the idea that there is not very much to do about it. For instance, I find this paragraph in the October issue of a monthly magazine largely devoted to

the interests of women and the home (i.e. *Good Housekeeping*)—in the course of an article giving advice as to investments:

Nearly all states have commissions to regulate public utilities. They protect the public from burdensome rates and unsatisfactory service, at the same time setting rates high enough to give a fair return on invested capital. They also pass on new security issues, preventing inflation and stock watering—a protection both to the public and to the investor.²

Except for the opening sentence the statements made in this paragraph are largely without any foundation in fact. It is true that our public service commissions are authorized to review rates. But rates are fixed in the first instance by the companies. Except upon complaint, and after hearings a commission rarely acts to review or adjust a rate. During the seventeen years since it was established the Pennsylvania commission has never reviewed or adjusted a rate on its own initiative. There is nothing on the record to show that these Nantucket rates have ever come to the notice of the Massachusetts commission.

So through insisting on having a "quaint" electric rate adjusted, one is doing more than safeguarding one's own pocketbook. In forcefully demanding some measure of equity in this matter of electric rates—first through the service company and then, if relief is not afforded, through the public service commission—one is rendering a very valuable public service. The social value of electricity cannot be developed until the current standard of rates for domestic service is markedly reduced.

¹ See advertisement in *Electrical World*, February 5, 1927.

² The Mass. P. S. C. supervises approximately 400 public utility companies.

WHY SOME CITIES HAVE ABANDONED MANAGER CHARTERS

II. EXTRANEOUS CIRCUMSTANCES AND POLITICAL CONDITIONS

BY ARTHUR W. BROMAGE

University of Michigan

*The concluding installment of series on reasons for the abandonment
of manager charters by seventeen cities. :: :: :: :: ::*

A GROUP of cities has already been considered in which defects in the specific charters or disadvantages inherent in the manager plan itself led to its failure. A second class includes municipalities which lost their manager charters through circumstances largely extraneous to the plan itself. These contributory conditions were in general of an economic or legal nature.

GROUP II

TAMPA, FLORIDA

City manager government was established in Tampa, Florida, in January, 1921, by home rule charter. During 1927, the legislature provided a commission form of government for Tampa subject to local referendum.¹ Tampa accepted this 1927 charter by a vote of 4,750 to 1,057.

While some prominent residents hold that the abandonment of Tampa's manager charter was due to "purely political reasons," others point to the "collapse of the boom." A former city manager blames the "old-time politicians" who "wanted the city run on a political basis and not on a business basis." As a lawyer puts the case, the members of the commission under the manager plan "were prominent business men," but "for political reasons they were ousted."

On the other hand, a public official

¹ Florida, *Special Acts* (1927), chap. 13448 (no. 1642).

of Tampa claims that the manager plan was costly and unrepresentative. "The indebtedness of the city," he writes, "was enormously increased, and it is certain that large sections of the city and a considerable element of the population were given scant consideration."

Typical of the opinions of prominent business men who blame the collapse of real estate for the failure of the manager plan is the following: "During the boom . . . many projects . . . seemed desirable and necessary. This resulted in a heavy tax burden. With the collapse of the boom many of the projects seemed unnecessary and extravagant. . . . This gave the politicians an opportunity to bring about legislation . . . to reinstate the councilmanic form of government." The "unrest and desire for change brought about by post-boom conditions" was certainly an extraneous circumstance greatly to the advantage of those who opposed manager government in Tampa.²

LAKE CITY, FLORIDA

In 1921 the Florida legislature by special act provided a city manager

² The charter of 1927 gave Tampa a commission form of government. It provided, however, that the "city commission may hereafter provide for the employment of a city manager . . . by ordinance." Florida, *Special Acts* (1927), chap. 13448, sec. 2.

government for Lake City subject to a local referendum.¹ From those now holding public office in this city come criticisms of the "lack of ability of . . . city managers," the "cost of operation," and doing "things too lavishly." In 1927 the legislature by special act gave Lake City a commission form of government with an elective mayor-manager as the administrative head. This in the words of a public official was "politics—our senator to the state legislature legislating the mayor (under the manager plan) out of office."

The act of 1927 provided for four ward commissioners and one elected at large. The commissioner-at-large was to be ex officio mayor, with all duties pertaining to that office and any duties formerly devolving upon the city manager.² According to the present mayor, this combining of the offices of mayor and manager was a saving to the city which justified the action of the legislature. The act of 1927 made no provision for a local referendum.

FORT MYERS, FLORIDA

Fort Myers, by home rule charter, established a city manager government in 1921. Eight years later this charter was abandoned. "During the real estate boom," writes a former city manager, "Fort Myers, like other Florida cities, anticipated great growth and expanded its territorial limits, its water and sewer system, etc. (and consequently its bonded debt). . . . The reaction to this after the collapse of the boom resulted in cries for retrenchment, dissatisfaction with tax rates, non-collection of taxes and criticism of the commissioners and city manager. Several unsuccessful recall elections were held,³ and finally, as one means of

ousting the majority faction, as well as offering a sop to the discontented people, the charter was changed to the mayor-aldermanic form."

A similar version comes from the pen of a business man: "The recent change in the city government . . . was not due to specific defects in the city manager plan. With the economic depression which followed the Florida boom came political unrest and dissatisfaction with existing political conditions. . . . If we had had a mayoral form of government, the change would have been the other way round."

The change to a mayor-council charter was effected by the local representative's having a bill passed by the legislature. This set up a mayor-council form of government for Fort Myers subject to a referendum vote.⁴ It was adopted by a vote of 958 to 822 on June 12, 1929.

ST. CLOUD, FLORIDA

By charter amendments St. Cloud set up a manager plan of government in January, 1925. These amendments were confirmed by the legislative session of that year.⁵ In St. Cloud, as in Fort Myers, the city manager government paid heavily for the deflation of the real estate boom.

As a resident states the situation, the plan was abandoned in St. Cloud because of "unwarranted expenditures of public money during the so-termed boom, which immediately followed the change to the manager form." Criticisms from those who observed the workings of manager government in St. Cloud, label it as an "expensive" form of government and one in which there is apt to be a "squandering" of public money. The present mayor of the city writes that the charter was

¹ Florida, *Special Acts* (1921), chap. 8993.

² *Ibid.* (1927), chap. 12962, sec. 1.

³ Cf. this REVIEW, vol. 16 (Oct., 1927), p. 611.

⁴ Florida, *Special Acts* (1929), chap. 14052.

⁵ *Ibid.* (1925), chap. 11207.

abandoned "to reduce expenses." The opprobrium heaped upon the manager plan goes back fundamentally to the general reaction after real estate values crashed.¹ The present charter, providing for a commission organization, was passed by the legislative session of 1929 and adopted at a local referendum.²

DEARBORN, MICHIGAN

Dearborn had a population of 2,470 by the census of 1920, and did not become a city until February, 1927. In the following September Dearborn established a manager government by home rule charter. Less than two years later the people of Dearborn voted to consolidate with Fordson, thereby creating a new Dearborn of approximately 50,000 population.

The decision of the commission which drew up the charter for the combined cities of Fordson and Dearborn was in favor of the mayor-council plan and against the manager plan. Eight of the nine commissioners were from Fordson. "Most of them had for years been dealing with the type of government they selected for the new city (of Dearborn). They knew just how it worked, it satisfied their voting friends, and it was adopted by a good majority."³ The manager plan was

¹ Information from Collinsville, Oklahoma, is scant. However, it seems logical to include Collinsville in Group II inasmuch as a former manager maintains that "the town's population had shrunk because of the loss of some factories, and it was therefore unnecessary to . . . continue employing a business manager." Collinsville became a city manager city in 1914. Ten years later the people decided by a slight vote to abolish the manager plan. The last city manager of Collinsville writes that she is now city clerk, and performs very much the same work under this new title.

² Florida, *Special Acts* (1929), chap. 14377.

³ One of the commissioners writes: "Not many on the commission had made a study of the

accordingly abandoned when the consolidation was effected.

MISSIONARY RIDGE, TENNESSEE

By special act of the Tennessee legislature, Missionary Ridge received a city manager charter in 1923.⁴ The manager plan seemed quite successful in this small community. Yet it was in operation for only six years, since Missionary Ridge was annexed by Chattanooga in 1929.

MICHIGAN CITY, INDIANA

Michigan City, Indiana, established the city manager form of government in January, 1922, making use of the general optional act of the state. On September 24, 1929, the supreme court of Indiana declared the state council-manager law unconstitutional in the application of section 3 to the city of Indianapolis. The court further pointed out that "if the act is inapplicable to one city in the state, the act is not a general law of universal application." It followed that it was void for conferring special privilege contrary to article 4, section 23, of the constitution.⁵

After the decision of the Indiana supreme court, the last officers under the mayor-council government of Michigan City filed suit in the La Porte superior court in Michigan City to enjoin the officials acting under the city manager government. An injunction was granted and the old mayor-council government resumed operation on October 22, 1929. On

manager plan. . . . A number had served as mayors or councilmen." Another holds that mayor-council government "is a better and more economical form." A third states that "it was the prevailing opinion that the manager plan offered too much opportunity toward a one man power."

⁴ Tennessee, *Private Acts* (1923), chap. 333.

⁵ *Keane v. Remy*, 168 Northeastern 10.

November 5, a municipal election was held to elect new officers under the mayor-council government. This was one of the most unusual and untimely exits ever taken by a city manager charter.

SUMMARY OF GROUP II

The experience of the Florida cities shows that the manager plan is no guarantee of prosperity. Friends of manager government need to be on the alert during periods of economic depression, for it appears that the people of municipalities then like to change not only their rulers but also their charters. The process of annexing a small city manager city to a large municipality is another easy way for a manager charter to pass out of existence. A remedy comes readily to mind as a solution for the Indiana situation: home rule for cities.

GROUP III

A group of cities which gave the manager plan a brief trial under political conditions does not necessarily prove anything against it. They have had the plan in letter possibly, but not in spirit.

HOT SPRINGS, ARKANSAS

By what was really a special legislative act, Hot Springs received a city manager charter in 1917. The plan began auspiciously with a council of business men. Unfortunately, after the first term, as a prominent banker writes, "it was impossible to secure representative business men to fill the offices. . . . Soon the politicians had the commission" under their control. In addition, a mayor was chosen who had held that office in the pre-manager days.¹

¹ Cf. City Managers' Association, *Eighth Year-book* (1922), p. 6, for a good analysis of what happened in Hot Springs. The manager plan

The opponents of the manager charter by going to the legislature succeeded in getting through a bill calling for a referendum on March 15, 1921. "The time was fixed," states a former city manager, "just at the height of our season, when everybody was busily engaged and had little time to think of politics. This left the field of activity open to the . . . politicians. . . . The vote only carried by a majority of forty." As a result of this referendum, Hot Springs abandoned the manager plan for a mayor-council government.²

LAWTON, OKLAHOMA

Lawton adopted the manager plan by home rule charter in 1921 and abandoned it in 1923. The speedy rejection of the manager charter is variously attributed to "purely selfish politics," lack of a "fair trial," "political reasons" and the attitude of the city clerk who "headed a movement to oust the manager."

"Three-fourths of our heavy taxpayers," a resident maintains, "are emphatically for the managerial form. . . . If the non-taxpaying and city-jobseekers were to be disfranchised the plan would carry by a large majority. It was not a failure by any means" It is doubtful whether Lawton like the other cities in this group ever really had city manager government in spirit. The manager charter survived the gauntlet of politics for only two years.

NASHVILLE, TENNESSEE

The city manager plan never took root in Nashville. After thirty years

inherited a heavy deficit and was hampered greatly by lack of funds.

² Arkansas, *General Acts* (1921), Act 165. Although the act of 1921 was general in form, its effect was to permit the people of Hot Springs either to retain the city manager plan under the act of 1917 or to reject it and return to mayor-

under the mayor-council charter of 1883, Nashville tried the commission plan from 1913 to 1921. Under the commission plan a public official notes that "factionalism and wrangling arose. . . . It was that condition . . . coupled with the inexplicable desire of a section of the public to try . . . a city manager form of charter . . . with the political ambitions of individuals and groups which led to the repeal of (of the law providing) the commission form."¹

But the manager plan fared no better than any other. The first election turned the council into an electoral college for the choice of a mayor-manager, to whose selection candidates pledged themselves in advance. The unwritten charter of Nashville became paramount to the written. In the election of July, 1922, a political faction which advocated a return to the old councilmanic charter of 1883 swept the field.² After two chaotic years, the public demand was so great that the manager charter was repealed.³ In its place Nashville received a form of government substantially similar to that established by the mayor-council charter of 1883.⁴

council government under the general laws applying to first class cities.

¹ This was Tennessee, *Private Acts* (1921), chap. 193. Section 11 provided for the selection of a mayor who had the powers of a business manager and served at the same time as chief executive of the city. He was in effect a mayor-manager selected by the council. This charter measured by the model charter was very defective. It had the same flaw as the charter of Denton, Texas; namely, the union of the offices of mayor and manager.

² Arthur B. Mays, "Nashville: A Study in Political Pathology," in this REVIEW, vol. 12 (Jan., 1923), p. 12.

³ Tennessee, *Private Acts* (1923), chap. 39. This took effect on June 5, 1923.

⁴ *Ibid.*, chap. 125.

AKRON, OHIO

The city manager plan of Akron went into effect in January, 1920, by home rule charter. This charter was amended in 1921 and again in 1923. In the latter year the duties of the manager were transferred to an elective mayor. Akron then became one of our so-called mayor-manager cities.

The first manager was a former mayor of the old régime. Under the charter of 1920 he was again elected mayor. He resigned and was selected as manager by a council of his own political friends.⁵ This maneuver was made possible by an omission in the Akron charter. It did not include that provision in the model city charter which makes it impossible for a councilman to be appointed manager during the term for which he is elected.⁶ The alleged deal which resulted in the selection of Akron's first manager was a demonstration of the necessity of this provision. The second manager was a local business man; the third was a qualified engineer.

From authentic critics come varying opinions as to the failure of the manager plan in Akron. "Lack of support on the part of an indifferent public" was the chief cause in the mind of a former manager. According to another manager, the plan itself was at fault. "The manager," he writes, "with his large executive and administrative powers was too far removed from direct responsibility to the electorate. The political parties made his administration an issue in our primary and election and defeated the purpose of the plan."

A well-organized opposition to the city manager plan brought about the

⁵ Cf. E. W. Creecraft, "Akron Drops City Manager" in this REVIEW, vol. 12 (1923), p. 639.

⁶ National Municipal League, *A Model City Charter*, sec. 15.

charter modification of 1923. In decided contrast was "the lack of a citizen organization to protect the charter." In the referendum during August those who supported the manager plan had to cope with "opposition from both political parties and two newspapers." In the election about thirty per cent of the registered voters went to the polls. The change to the elective mayor-manager was carried by the small majority of 172 votes.¹

SUMMARY OF GROUP III

The duration of the manager plan in this set of cities was indeed brief. Hot Springs retained the plan for four years;

Akron for not quite four years; Lawton and Nashville for approximately two years. Would it prove anything about the English system of parliamentary government if we tried it for two, three or four years and then rejected it? In this group of cities, the opponents of the manager plan in the absence of an effective citizen organization, secured control of the government and shaped the city manager plan to their own ends. Finally, when they had discredited the manager plan by their own manipulations, they carried the referendum to abolish it because there was no active, organized campaign in defense of the manager charter.

THE STRATEGY OF TAX REFORM

BY HERBERT D. SIMPSON

Of the Institute for Economic Research, and Professor of Economics, Northwestern University

*How the Chicago Joint Commission on Real Estate Valuation
inspired popular sentiment for reform of tax injustices. :: :: ::*

IN the widespread agitation over tax questions that has been going on during the past two or three years, the writer has been impressed with the emphasis that has been placed upon the details of tax "programs" and specific legislation, and the small amount of systematic attention that has been given to the strategy of accomplishing these results. It is true, the end is more important than the means. But the mere *importance* of an objective will not bring it about, whereas the choice of the right means often will.

THE IMPORTANCE OF MEANS AS WELL AS ENDS

The practical politicians exactly reverse the order of importance: the objective—high tariff or low tariff,

World Court or no World Court, income tax or sales tax—is entirely immaterial; the means of winning an election are all-important. Indeed, the objectives are important at all only *as means* of winning the election. Honest citizens will not go this far, and sincere reformers cannot; but nevertheless a little more systematic attention to the strategy of tax reform will help greatly in achieving honest objectives.

The writer has had the opportunity of watching the development of a tax movement during the past three years, under conditions which made any effective movement as nearly impossible as it could be. This is the recent movement in Chicago. He has been impressed with the effectiveness of the strategy employed; and an analysis of this strategy is offered in the following

¹ Cf. this REVIEW, vol. 12 (1923), p. 639.

pages, in the hope that it may contain some useful suggestion for similar movements elsewhere.

The analysis here will be concerned with the policy of the Joint Commission on Real Estate Valuation, which has been the most active factor in the general movement in Chicago thus far. Many other organizations and groups have participated in the movement at particular points, and in some cases their participation has been indispensable. But the Joint Commission on Real Estate Valuation is the one organization that has been continuously in the field and has been working actively and systematically for far-reaching changes in the tax system.

POLICY OF JOINT COMMISSION

This commission was created by the Cook County board of commissioners in January, 1927. It was originally composed of members of the board of assessors and board of review, other government officials, and representatives of various business and civic organizations. The official members, however, declined to participate in the meetings or work of the commission, almost from the first, so that it became virtually a citizens' organization. George O. Fairweather, business manager of the University of Chicago, was made chairman. John O. Rees, formerly with the New York Bureau of Municipal Research, was brought to Chicago as executive secretary, and later director, of the commission.

The commission had originally hoped only to induce the board of assessors and board of review to adopt voluntarily some systematic methods of assessment, which would remove the most flagrant inequalities of the old assessment and establish more or less permanently somewhat higher standards of assessment in Chicago. The obstinate refusal of these boards to

listen to any suggestion for improving assessments forced the movement in the direction of a compulsory reassessment. This reassessment was eventually ordered by the state tax commission and has now been completed. Meanwhile, the Joint Commission and other groups have been shaping the movement toward the accomplishment of broader objectives in the form of administrative reorganization and new forms of tax legislation.

These things will not be discussed here. Altogether they represent an overturn in the situation so revolutionary that two years ago it would have been considered utterly impossible. But here we are concerned only with the strategy by which it has been brought about. Perhaps it should be added that the writer is making this analysis without the knowledge of any of the members or associates of the Joint Commission. He is looking upon the movement from a thoroughly "academic" standpoint and trying to analyze it, very much as his colleagues in the history department are trying to analyze the strategy of the Marne and other great combats, which may not after all have more significance for human progress than such combats as that now going on in Chicago.

GETTING THE FACTS

The fundamental element in the whole strategy has consisted of facts—getting the actual facts. This portion of the work has continued throughout the entire period since the creation of the Joint Commission; but the first body of essential facts was secured by June, 1927, and was embodied in preliminary reports of the Joint Commission and of the writer. These facts were submitted, before publication, to the board of assessors; opportunity to present them to the board of review was refused. Thereafter the Joint

Commission never dealt in generalities: the average rate of assessment in Chicago was no longer "around 60 per cent," it was 31 per cent; 250,000 properties in Chicago were assessed at less than 20 per cent, 90,000 properties were assessed at 50 to 100 per cent; Calumet was assessed at 10 per cent, Rogers Park at 33½ per cent; vacant land was assessed at 20 per cent, commercial property at 36 per cent; small homes were assessed at 33½ per cent, large homes at 28 per cent; the whole assessment was "40 per cent off"; and that portion of taxes collected in Chicago through a process of virtual confiscation amounted to \$30,000,000 annually.

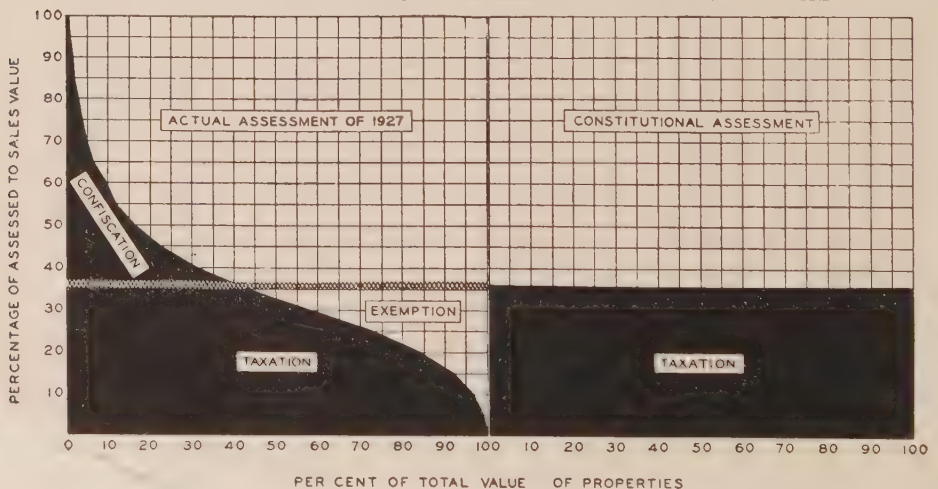
It ought not to be difficult to understand why facts such as these secured a hearing where vague generalities about inequality and discrimination had been going on indefinitely without creating a ripple of interest. But it was a new type of strategy in Chicago, where the tendency on public questions has been to rely on large-scale "publicity," propaganda, organization, influence, political agencies, and almost everything else than the plain, rock-bottom facts of the problem. The helplessness

of the board of assessors, board of review and other political organizations before this new line of attack was pathetic and sometimes amusing.

GETTING THE FACTS TO THE PUBLIC

Next to reliance on the facts, the most striking element in the policy of the Joint Commission was the effectiveness of the means developed for getting these facts to the public. In the first place, the facts themselves were set up in the form of charts which could be presented at public meetings and which brought out the significance of the facts beyond doubt or peradventure. It will be of interest to students in this field to recall that in discussing the range and distribution of assessments, the conventional "frequency curve," or area, which has always been used for this purpose, was at first employed. It was found that for most audiences it required elaborate explanation and left hazy results in the minds of hearers. Consequently various forms of cartographic representation were devised, including finally the "more than" curve, combined with the "level of uniformity," illustrated in the accompanying chart. On the first

GRAPHIC PRESENTATION OF UNEQUAL ASSESSMENTS OF CHICAGO REAL ESTATE



occasion when this type of chart was displayed, the writer felt obliged to explain it as carefully as he had been accustomed to explain the usual "frequency curve." After what he believed at the time to have been a particularly skillful explanation, someone in the audience remarked: "Before you explained that curve, it was perfectly clear." The *bon mot* was accepted as an authoritative "O.K." of that form of representation. Thereafter "that curve" was allowed to speak for itself; and, so far as the writer was able to detect, no one in later audiences was unable to decipher the difference between the curve showing *where the assessment was* and the straight line showing *where it ought to be*.

In the second place, the Joint Commission adopted the policy of disclosing the facts to small gatherings, representing organizations and groups that were vitally interested in the question of assessments. This included representatives of the real estate boards, of the building owners' and managers' associations, and of various property owners' and community organizations. Through these representatives the facts were carried in a particularly effective way to the members of the various groups.

In the third place, the commission arranged meetings throughout every quarter of the city, at which the facts were presented. These were not mass meetings, however, but meetings of particular organizations or groups, with audiences varying from a dozen souls to two hundred. At these meetings the speakers were members of the commission or others associated directly with the work of the commission. Their subject invariably dealt with the simple facts of the situation. Most of them were amateurs at public speaking; some of them had difficulty in making

themselves heard by an audience of more than two hundred; and none of them certainly could lay claim to any oratorical capacity. The writer cannot recall at the moment a single such meeting at which the commission was represented by a political orator or a professional speaker of any kind. But the commission adopted the policy of putting itself at the service of any group, large or small, "high-brow" or "low-brow," radical or conservative, that wanted to know anything about taxes. The result was a kind of "university extension" course in taxation of a kind that had not been "offered" in Chicago before.

And a final agency in getting the facts to the public was the press. The daily papers, trade journals, and local neighborhood publications gave generous space to the materials, including even the tabulations and charts, carried accounts of the meetings, speakers and addresses, and made vigorous editorial comment from time to time upon the situation.

CRYSTALLIZING SENTIMENT

After getting the facts and getting the facts to the public, the third element in the policy of the commission was a resolute refusal to adopt beforehand any specific program of tax legislation or tax policies. Instead, the commission engaged more or less everybody in Chicago, who could be induced to participate, in a continuous series of conferences, discussion, and comparison of ideas, with a view to building up the elements of a tax program only so far and so rapidly as the ideas of Chicago people appeared to have crystallized with reference to the problems involved. It was a kind of process of distillation—pouring a body of pungent facts into the consciousness of 3,000,000 people, giving them time to ferment, and then

distilling the product, through the long, winding "worm" of conference and discussion, in the form of proposed legislation and policies. It is a slow process for developing a legislative "program"; but the revolutionary change that has taken place in the attitude of Chicago people toward constructive tax policies is evidence of the effectiveness of this process.

FOCUSING PUBLIC OPINION
UPON GOVERNMENT

The fourth element in the strategy of the commission consisted in bringing the pressure of public opinion, as such opinion developed, to bear upon the governmental departments concerned. These included at different times the board of assessors, the board of review, the county board, the state tax commission, the joint legislative revenue committee, the governor, and the legislature. This task fell upon the chairman of the commission, Mr. Fairweather, who, in the face of

apparent impossibility, pressed the position of the commission courageously, persistently and, it must be said, almost single-handedly. But this last process was the spearhead that gave thrust to the work of the commission.

Its results have continued much beyond the point which the commission originally had in mind and give promise of continuing effectively into the future. We are attempting here only to analyze the strategy of the commission thus far, as the most important factor in the general movement of protest against the existing tax system. And in a nutshell, this strategy has consisted merely in getting the facts of the problem, getting these facts to the public, crystallizing the results in the form of definite, public opinion, and focusing this public opinion upon the governmental agencies concerned. After all, this is about the sum and substance of statesmanship in a democracy.

RECENT BOOKS REVIEWED

A HEALTH INVENTORY OF NEW YORK CITY. By Michael M. Davis and Mary C. Jarrett. Welfare Council of New York City, 1929. 367 pp.

No commercial venture is more worthy of evaluation and appraisal than is community health service, for the business of health is the business of everyone. Only by assembling the facts concerning municipal health administration can its effectiveness be measured, and plans formulated for the continued progress of necessary health protection and promotion. Public health surveys should, therefore, be made by experts at regular intervals in all communities.

This health inventory of our largest metropolis is a notable contribution to public health administration. Its scope is, as stated by C.-E. A. Winslow, Dr. P.H., in a cogent foreword, wisely limited to the organized efforts at rendering personal health service to individuals. Thus, the report covers the fields of out-patient clinic service, home nursing visitation, and health education. It does not attempt to go into the subjects of institutional care, nor of the administrative aspects of the activities of the local health department, especially since the latter had already been surveyed.

Although the care of the public health is primarily a governmental responsibility, a vast amount of health work is undertaken in New York City, as elsewhere, by extra-governmental health agencies. One half of the 1,200 nurses who make nearly two million home visits in this city are employed by voluntary associations, while 37 different agencies carry on health education programs.

This well-printed report covers such topics as child hygiene, maternity hygiene, tuberculosis control, venereal disease control, dental hygiene, health examinations, mental hygiene, heart disease, cancer control, the control of eye disorders, and health education. It should serve as a valuable text on public health for municipal officials and all others concerned with this important science.

JAMES A. TOBEY, DR. P.H.

CRIME PREVENTION AS A MUNICIPAL FUNCTION. By Hubert R. Gallagher, Syracuse University, N. Y., 1930, 66 pp.

In a time when organized gangsters and responsible citizens compete in the fascinating game of beating the law, this document suggests the need and method of establishing crime prevention bureaus where most crime is supposed to take its rise: in the cities. The editor completed last July an analysis of questionnaires sent to 299 American cities by the New York State Bureau of Municipal Information, with responses from 220 police departments showing that crime prevention work is only poorly understood.

Police authorities, till very recently, have given the bulk of their attention to crime repression and punishment. It has been assumed, as in Europe, that certainty of arrest and conviction, with presentation of adequate evidence, constitutes the greatest possible prevention of crime.

In meeting the question of organized crime prevention, this report gives major attention to analysis of case studies, indicating how various cities have been supervising dance halls, pool rooms, motion picture houses, parks, speakeasies, playgrounds and bowling alleys, as sources of crime. Specific suggestions and recommendations are offered to those who are seeking light on the problem of crime prevention. The School of Citizenship and Public Affairs at Syracuse University assisted in making the studies.

Broadly defined, crime prevention "is the elimination of the causes and conditions that are conducive to crime, whether in the case of potential or past offenders; and also the rehabilitation of the criminal, actual and potential." While disclosing that few cities have given serious attention to this problem, the report also indicates an encouraging measure of success in experimental methods thus far practiced. Apparently real achievements in crime prevention await performance in fulfillment of promises. Among general recommendations submitted is that every city have at least one police woman to one hundred police men. A bibliography cover-

ing 37 articles and reports is included. The conclusion is thus stated:

Municipalities must approach the elimination of their crime problems in the same logical manner in which they attack the elimination of fire hazards and communicable diseases. Mounting crime rates are as important as mounting fire insurance and mortality rates. The basis of attack, whether the problem is fire, disease or crime, is *prevention*. Cities have Fire Prevention Bureaus, Health Departments with preventive programs, but the Crime Prevention Bureau has been neglected in municipal administration.

It is recommended that *crime prevention* be recognized as a regular municipal function with the *Crime Prevention Bureau* as the organization unit in the municipal government responsible for performing this function.

WILLIAM P. LOVETT.



PUBLIC POWER FOR WISCONSIN (prepared under the direction of the Committee on Public Power of the League of Wisconsin Municipalities). Madison, Wisconsin, 1930. 104 pp.

In this 100-page pamphlet, the League of Wisconsin Municipalities presents a brief for the enactment of laws which will remove the present hampering restrictions upon the rights of communities to own and operate their own lighting plants. The major work of preparing it was performed by Carl D. Thompson, Public Ownership League of America.

In Wisconsin, as in many other states, the theoretical right of municipalities to own and operate their public utilities is largely nullified in practice, the report points out, by the prohibition of municipal competition with private plants, by the costly and long drawn-out litigation involved in condemnation proceedings to acquire the plants, by the inability to purchase plants at reasonable valuations, and by the constitutional limitation of 5 per cent which makes the acquisition and extension of municipal plants almost prohibitive.

A valuable section is devoted to the advantages of generation by Diesel engines, especially in smaller towns, as illustrated by the actual experience of a number of municipalities. The present prohibition upon competition, however, makes it impossible for Wisconsin municipalities to take advantage of the willingness of the manufacturers of Diesel engines to finance the installation of plants.

The results of municipal ownership, as they have appeared in Wisconsin and other states,

are described in considerable detail in five chapters of the report. While some of this material must be placed in the class of enthusiastic generalization, it does present, in compact form, a surprisingly large range of data on the operations of the more important municipal establishments. The value of municipal competition in reducing rates is emphasized, and an incisive explanation is presented in support of the financial policies of public plants over those of privately-owned enterprises.

The report stresses the need for the right to create public power districts in order that public ownership may keep abreast of the current developments in large-scale production. It also advocates, as the most important phase of a constructive public program, an amendment to the state constitution that will permit the state itself to cooperate with the municipalities in the development of a state-wide public power system.

The legal phases of the question, especially those relating to the constitutionality of the measures proposed, are analyzed, and a series of tables presents illuminating financial statistics of public and private plants in Wisconsin, as well as elaborate comparisons of lighting rates.

The report is a useful addition to the all too inadequate body of literature on the controversial subject of public ownership of utilities which will be of special value to city organizations and legislative bodies interested in a constructive program of utility legislation.

F. L. BIRD.

Municipal Administration Service.



MARKETS: PUBLIC AND PRIVATE. By Arthur E. Goodwin. Seattle, Washington: Montgomery Printing Company, 1929. xxiii, 315 pp.

In this book is presented the most complete description of modern retail produce markets available in this country. It is profusely illustrated with 102 cuts, most of which are photographic reproductions of markets or portions of markets, located from the Atlantic Seaboard to the Pacific Coast and a few in foreign countries.

The author describes the preliminary work which should precede the establishment of a market such as a survey of the need for a market, of availability of produce, of possible competition, determination of type of market and of location. Methods of financing are discussed for private as well as publicly-owned markets. The treatise is outstanding in details of architecture, con-

struction and equipment as well as in the problems involved in the operation and administration of such markets. In these respects the author has drawn on his own wide experience in designing and operating markets and has ample illustrative material for a clear presentation. Problems of sanitation are discussed from a modern viewpoint and methods for this solution are presented with a view to their practicability in respect to efficiency and economy.

The book is designed for those who are interested in establishing produce markets and the author has included valuable aids, such as forms for leasing, and for keeping market accounts, as well as copies of by-laws for market associations or corporations and of suggested ordinances for locating, establishing, regulating and maintaining municipal markets.

While the book deals largely with enclosed retail markets, the last eight pages are devoted to wholesale terminal markets. The treatise of this phase of the subject is very inadequate and does not touch at all upon the many problems involved in the relationship of the farmer's produce markets to the wholesale terminal markets for shipped-in produce. The importance of this relationship is almost entirely disregarded and the author does not treat the problem of a food distribution center where retailers may obtain both homegrown and shipped-in produce at wholesale. The program for decentralization of the wholesale produce business in New York City is presented as likely solving the problem of the distribution of perishable food products in that city to excellent advantage without indicating the great difficulty which the city is experiencing in decentralizing the produce business after the facilities for decentralization have been provided.

The lack of adequate treatment of these important phases of produce marketing and the excellent treatment of the retail markets places this book in the category of the most outstanding handbook on enclosed produce markets available in this country rather than of a text covering the field of produce markets.

F. P. WEAVER.

Pennsylvania State College.



STATE INCOME TAXES. National Industrial Conference Board, New York, 1930. 2 volumes, 121 pp. and 214 pp.

These two volumes present an up-to-date summary and analysis of state income taxation

in the United States. The first volume is essentially historical, reviewing by states the development of state income tax legislation. The purpose of the preliminary study is to explain "the motives which dictated the original laws, the nature and scope of the enactments, and the circumstances attending them." The persons and subjects taxable, the rate structure, the administrative machinery, and the financial results are also dealt with here in summary form. This information together with the statutory and legal history is presented for each one of the twenty states that now has some form of income tax legislation.

The second volume is more comprehensive than the first, is analytical rather than descriptive, and presents a penetrating study of all the more important phases of state income tax laws and their operation. Instead of organizing their study by states, the authors have arranged the material according to the significant features of income tax legislation, thus working out a comparative analysis of our state income tax systems. As a basis for evaluating the several features of the state systems, comparisons with the federal income tax law and the model income tax laws of the National Tax Association are employed extensively throughout the study. The particular phases treated in the analysis are the basis of the assessment and levy, the income exempted on constitutional and economic grounds, the exemption of capital transfers, personal exemptions or abatements, deductions from gross income under individual income tax laws, rate structure, legal considerations in collection and enforcement, conflicting jurisdictions in state income taxation and the economic effects, the allocation of net income, the administration of state income taxes, financial results, the burden of the state income tax and its economic effects.

These volumes merit praise from many standpoints. They furnish an authoritative source for up-to-date information on state income tax laws and their operation. They make readily accessible important rulings and court decisions. They reveal the strength and weaknesses of present systems. The tables and charts add considerably to the usefulness of the volumes. The clear style likewise enables one not a tax expert to grasp the significant phases of the present status of our state income tax systems.

MARTIN L. FAUST.

MUNICIPAL REPORTS

AUBURN, MAINE. *Annual Report for the Fiscal Year Ending December 31, 1929.* F. W. Ford, Jr., City Manager. 51 pp.

This report is supplemented by two charts, one covering statistically and graphically the city debt and plan of redemption, and the other an organization chart containing also some general statistics, budget facts, and the number of employees assigned to the several departments, giving the annual payroll and the per cent it bears to the net budget. In fact, the data contained on these two unattached supplements are more interesting to the taxpayer than any data in the body of the report. The first half of the report is devoted to the general departmental reports and the remaining twenty-five pages are taken up by detailed financial tables which seem a bit involved for the ordinary reader of public reports. The chief criticism of the report is the almost total lack of illustrative material. The inclusion of a few well chosen charts and pictures would have lightened the appearance of the text and improved greatly the attractiveness of the report.



ROANOKE, VIRGINIA. *Annual Report for Fiscal Year Ending December 31, 1929.* W. P. Hunter, City Manager. 96 pp.

The main criticism to be leveled at this report is that it is mainly statistical; thus it will please the so-called expert and the researcher who is trying to compile comparative data for different cities. But the reviewer fears that the Roanoke taxpayer may put it aside for a more convenient time which never comes. The report is attractive in many respects and, although it is deficient in illustrative material, that which is presented was well chosen. The list of major accomplishments for the year mentions the employment of a full-time recreation director and the preparation of an appraisal map. Among the "suggestions for consideration" is the creation of the office of purchasing agent and the erection of a building suitable for a storehouse and garage where all city-owned cars can be stored. The readers of the report would have been aided greatly by an organization chart of the city government, for, without such a guide confusion is bound to arise. In spite of these criticisms, however, the report shows a marked improvement over the previous issue.

EAST CLEVELAND, OHIO. *Municipal Report for 1929.* Charles A. Carran, City Manager. 40 pp.

The improvement of this report over the issue for the previous year is marked. To begin with, it is more attractive; the illustrative material is better, and the letter of transmittal with summary of outstanding accomplishments and suggestions for the future is very much improved. The report opens to a map of the city, followed in order by a contents page, picture of the city hall, roster of city officials, foreword and letter of transmittal, an organization chart, and a page of statistical data about the city. The reports of the administrative departments are then presented and the final six pages are devoted exclusively to financial tables. The arrangement would have been improved by moving the "Activities of the City Commission" from the bottom of page 13 to a more prominent position, preferably before the reports of the administrative departments. The "Plans for 1930" contains nine items. One of the outstanding accomplishments of the year was the operation of the water department for the seventh consecutive year with an increase in cash surplus.



TWO RIVERS, WISCONSIN. *The Fourth Annual Report for the Fiscal Year Ending December 31, 1929.* E. J. Donnelly, City Manager. 56 pp.

If completeness and minute detail were the sole criteria of public reporting this report would be rated 100 without further debate. It appears overloaded with minutiae, as, for example: "watered memorial trees along county road" is listed as one of the 52 "accomplishments in 1929." Many more illustrations might be drawn at random from other sections of the report. Doubtless there are purposes for such detail, but its place in a report is highly questionable. There are so many matters of greater importance that should command the attention of the reader that to lose him in the unessentials is to defeat the whole purpose of public reporting. In spite of this criticism this issue is a distinct improvement over that for the previous year, and in many respects it approaches a high standard of reporting.

CLARENCE E. RIDLEY.

REPORTS AND PAMPHLETS RECEIVED

EDITED BY E. K. OSTROW

Librarian, Municipal Administration Service

A Housing Code.—Recommended for use by municipalities of the state of New York, Albany, 1930. 93 pp. This report was prepared under the direction of a committee representing the New York State Conference of Mayors and Other City Officials, the New York State Department of Health and the State Board of Housing to meet the special requirements of smaller communities. The main purpose of the suggested code is the securing of healthful conditions of human life and activity, especially through the agency of adequate light and ventilation, adequate means of egress, adequate protection from fire, and proper sanitation. It is divided into six articles, each article comprising the provisions that naturally are grouped together, as follows: administration, definitions, light and ventilation, means of egress, fire protection, and sanitation and lighting. The suggested ordinance has been so prepared that it can, and should be used verbatim, except, possibly, for minor changes to adapt it to local conditions. There are three appendices: an application form, estimated building costs, and fire-resistive construction. (Apply to George Cove, Secretary, State Board of Housing, 949 Broadway, New York City.)

✱

Reduce Smoke and Save Fuel.—Smoke Abatement Commission, Akron, Ohio, Chamber of Commerce, 1930. The Chamber of Commerce has prepared a chart in which they offer suggestions from the American Society of Mechanical Engineers on smoke reduction by means of careful fueling. These cards are distributed to the school children in connection with talks on smoke elimination and air pollution. (Apply to R. C. Demary, Chief Inspector of Mechanical Equipment, 405 City Hall, Akron, Ohio.)

✱

Making One Government Grow Where Two, or a Dozen, Grew Before.—Mark Graves, reprinted from the June, 1930, number of *Community Service Magazines*. 3 pp. Mr. Graves sets forth a number of facts regarding overlapping units of local government and governmental over organization for purposes of taxation. He suggests certain benefits that might be derived from consolidation: centralization of

authority and responsibility, elimination of delays, curtailment of unnecessary personnel, and the operation of a natural geographical unit as a political and financial unit. (Apply to the State Department of Taxation and Finance, Albany, New York.)

✱

Order and Beauty in State and City.—Address of John Nolen at the annual meeting, Vermont State Chamber of Commerce, Burlington, Vermont, June 5, 1930. Mr. Nolen makes a few suggestions in his address which would help to develop the state, for example: a state survey, preferably with the other New England states; a broad plan for Vermont planning; legislation for city planning and zoning, and related laws; a landscape architect in the state highway department and a sounder, more modern financial policy based upon a complete understanding of the finances of Vermont. (Apply to John Nolen, Harvard Square, Cambridge, Massachusetts.)

✱

Index for Social Science Abstracts.—Published under the auspices of the Social Science Research Council, New York, 1930. 150 pp. The Index for the first volume of Social Science Abstracts contains 10,000 entries under Authors' Index, and 25,000 under Subject Index. It covers about 3,000 journals in 25 languages; 11,093 abstracts were published in 1929. It presents a reference work to the social science periodical literature of the world for 1928–1929. (Apply to Social Science Abstracts, 611 Fayerweather Hall, Columbia University, New York City.)

✱

Procedure and Rulings Pertaining to Workmen's Compensation.—Commission of Labor and Industry, Topeka, Kansas, 1930. 39 pp. The commission thought it advisable to bring together in this report a complete explanation of what is expected from the time of the happening of a compensable accident until the last of the compensation is paid. The procedure has been simplified as much as possible. A few rules or interpretations are given, and these are based upon general inquiries that have been made.

(Apply to G. Clay Baker, Commissioner of Workmen's Compensation, Topeka, Kansas.)

✱

Current Research in Law for the Academic Year 1929-1930.—Johns Hopkins University, Baltimore, 1929. 298 pp. This volume, based on a survey conducted by the Institute of Law of Johns Hopkins University, contains all the research in progress in the United States which could be discovered at the time of printing. In general, those research projects which were reported as in preparation for law review publication have not been included if their publication was scheduled to take place before the present volume was to appear because they would presumably be listed at the same time in the *Index to Legal Periodicals*. (Apply to Johns Hopkins Press, Baltimore, Maryland.)

✱

Can Blighted Urban Areas be Rehabilitated?—Harland Bartholomew, 1930. 20 pp. In this address made before the National Association of Real Estate Boards, Toronto, Canada, July, 1930, Mr. Bartholomew pointed out that blighted areas are a complex by-product of a complex organism, the city. The problem is not insuperable; it calls for neighborhood organization and municipal coöperation, chiefly through city planning action. One of the most necessary instruments in dealing with these areas is condemnation. The processes of condemnation are as yet crude and often involved in city politics. City planning and the formation of property owners' associations are both needed to help solve the problem. The blighted area is the result of uncontrolled municipal expansion. It can be corrected and prevented only by control of unsound speculation and the promotion of those forces which create permanent values. (Apply to Harland Bartholomew, City Plan Engineer, St. Louis, Missouri.)

✱

Problems of Zoning.—Addresses delivered at the Zoning Session of the Seventh Annual Meeting of the Chicago Regional Planning Association, Chicago, Illinois, 1930. 12 pp. This pamphlet contains three papers: (1) How Much Property Should be Zoned for Business? (2) To What Extent are Apartments Justified in Suburban Villages? and (3) What Power Has the Zoning Board of Appeals? by Lawrence V. Sheridan, Coleman Woodbury, and Jacob L. Crane, Jr., respectively. (Apply to the Chicago Regional Planning Association, Chicago, Illinois.)

1929 Street Lighting Costs in 218 Cities.—Compiled by O. P. Orlieb, Engineer of Street Lighting, Trenton, New Jersey, August, 1930. 8 pp. (Mimeographed.) The information in this report was obtained by means of a questionnaire sent to officials in cities of over 30,000 population. It was requested that the costs reported include the charges of administrative costs, such as salaries, and also the interest and sinking fund requirements on any outstanding city bonds issued for street lighting purposes. Results are tabulated as follows: population of the city, the total expenditures of each city for street lighting during 1929, 1929 expenditures reduced to a per capita basis, percentage increase or decrease in the per capita cost from 1924-1929, future increase planned, and street mileage reported for the various cities. This report is not uniform, inasmuch as the questionnaire was brief and there are many different systems in use. No attempt was made to compare street lighting systems for it is understood that the per capita cost is not a fair basis for comparison. (Apply to O. P. Orlieb, Trenton, New Jersey.)

✱

Report on the Statistics of County Finances.—Division of Accounts, Department of Corporations and Taxation, Boston, Massachusetts, 1930. 32 pp. The report on county finances consists of twelve tables: returns of county treasurers, clerks of supreme and superior courts, clerks of district and municipal courts, trial justices, registers of probate, registers of deeds, recorder and assistant recorders of the land court, sheriffs, keepers of jails and masters of houses of correction, probation officers in superior, district and municipal courts, treasurers of tuberculosis hospitals, and returns of county aid to agriculture. (Apply to T. N. Waddell, Director of Accounts, State House, Boston, Massachusetts.)

✱

The Court and Correctional System of the State of Pennsylvania.—Pennsylvania Committee on Penal Affairs of the Public Charities' Association, Philadelphia, Pennsylvania, September, 1930. 32 pp. This pamphlet presents a description of the organization and functions of the courts and of the penal and correctional system of Pennsylvania. (Part I.) It also contains a directory or guide to the resources, state and county, for the correction and treatment of offenders, both adults and children. (Part II.)

This is a revised edition of a study made in 1927, based on a state-wide study of court and penal procedure made by the Pennsylvania Committee on Penal Affairs. (Apply to the Committee on Penal Affairs, 311 South Juniper Street, Philadelphia, Pennsylvania.)



Highway Sidewalks.—American Society for Municipal Improvements. St. Louis, Missouri. 8 pp. This pamphlet is an extract from the report of the committee on street paving, design, construction and maintenance made at the 1929 convention of the American Society for Municipal Improvements. It embodies a resolution favoring the construction of sidewalks in connection with public highways subjected to considerable automobile traffic. (Apply to C. W. S. Sammelman, Secretary, 4359 Lindell Boulevard, St. Louis, Missouri.)



Progress Report on Suburban Transit for the Metropolitan District of New York 1929-1930.—Prepared by the Suburban Transit Engineering Board. 80 pp. The purpose of this report is to set forth the facts relating to the movement of suburban passengers, the engineering obstacles to be overcome, including those relating to the different sizes and types of equipment and motive power, and to present some idea of what the various planning committees on the Board have been able to accomplish toward the development of a comprehensive, coordinated suburban transit plan for the metropolitan area. There has been no consideration given to the legal, financial or operating problems, nor as to how or by what agency any of the facilities would be provided, financed or operated. (Apply to

Glenn S. Reeves, Secretary, 75 West Street, New York City.)



Report on Zoning with Special Reference to Use of Buildings.—Philadelphia Chamber of Commerce, Philadelphia, Pennsylvania. December 1, 1929. 42 pp. (Mimeographed.) "The first section of the report deals with general and fundamental phases of zoning as a whole; the data collected from published reports of outstanding authorities in the field of zoning. This has been done for the purpose of affording a background for this study, as well as for the purpose of approaching intelligently the specific subject of use of buildings. The second part, which treats specifically of Philadelphia and the use of buildings, is set up in chart and tabular form for the purpose of clearer understanding and convenient reference. The data for this section is the result of a most careful search of all zoning ordinances of cities considered in this report and the proposed zoning ordinance for Philadelphia." (Apply to E. E. Bach, Director, Research and Statistical Bureau, Chamber of Commerce, Philadelphia, Pennsylvania.)



The Geographical Problem in Wisconsin Taxation.—J. Roy Blough, Wisconsin Tax Commission, Madison, Wisconsin. June, 1930. 99 pp. "The purpose of this study is to show the location in rural and urban districts and in different counties of certain important types of tax bases used in Wisconsin in order to indicate the extent of the uneven distribution of different tax bases and the extent of differences in ability to support government." (Apply to E. L. Kelley, Chairman, Wisconsin Tax Commission, Madison, Wisconsin.)

JUDICIAL DECISIONS

EDITED BY C. W. TOOKE

Professor of Law, New York University

Contractor's Bonds—Right of Materialman to Recover against Surety.—The Court of Appeals of the State of New York in *Johnson Service Co. v. Morim*, 171 N. E. 692, holds that a sub-contractor by an equitable action to which the contractor and the city are made parties may recover against the surety for default on the part of the contractor in paying for materials furnished upon a public work. In contrast with the decisions in several other states, the New York courts have consistently held that under a bond given by a contractor on public works conditioned upon payment of the claims of materialmen and laborers, the latter were not entitled, suing in their own names in an action at law, to recover against the surety, upon the ground that the primary purpose of the bond is the protection of the municipality and the protection of others is incidental or subordinate (*Fosmire v. National Surety Co.*, 229 N. Y. 44). The contrary decisions in other states are based upon the principal that as public works are not subject to mechanics liens, the primary purpose of the provision to pay materialmen and laborers is for their benefit, and, therefore, although not parties to the contract they may recover directly in an action at law against the surety.

The court holds that its decision in the *Fosmire* case was not conclusive as it there stated that the result might be different where the municipality is before the court as a plaintiff asserting a cause of action as the trustee of an express trust for the benefit of sub-contractors, in which event the surplus of the recovery, after payment of its own charges and expenses, will be held for their use. In such a case, the money paid to the city, will be held as a trust to pay the sub-contractor and in turn the surety will be subrogated in an equivalent amount to the right of its principal, the general contractor, to collect from the municipality the amount due under the contract. In the instant case, the city was made a party defendant, but joined in the prayer for affirmative relief. The result reached by the court is practically the same as that attained more directly in other states by the application

of the third party beneficiary rule but has the virtue of protecting the rights of the city under the bond.



De Facto Municipal Corporations—Discretion of Courts to Test by *Quo Warranto*.—The Supreme Court of Mississippi in *State v. Commissioners of Greenwood*, 127 So. 704, by a divided court applied for the first time the now well-recognized principle that the courts may refuse to grant a writ of *quo warranto* to test the status of a *de facto* municipal corporation after a lapse of time so long that it would be against public policy to oust it, because of the public and private rights that would be seriously affected thereby. The instant case involved the jurisdiction of the city over territory annexed *de facto* some seven years previously.

In holding that the state itself might not at so late a date test the legality of the incorporation, the court adopts the principle laid down by the Supreme Court of Arkansas in *State v. Leatherman*, 38 Ark. 81, and by the Supreme Court of Iowa in *State v. Des Moines*, 96 Ia. 521, that the granting of the writ even at the instance of the state is subject to judicial discretion. This principle, which is now recognized in many of our states is one of the most salutary in our American public law which, because of the peculiar situations raised by state constitutional limitations, has had to solve problems of *de facto* status unknown to the jurisprudence of England. The decision of the court in the instant case is not only based upon sound public policy, but is supported by the early English decisions bearing upon the *de facto* status and the nature of the writ of *quo warranto*.¹



Traveling Expense of Committees—Extension of Doctrine of Implied Powers.—In *Tousley v. Leach*, 230 N. W. 788, the Supreme Court of Minnesota affirmed an order of the lower court,

¹ See articles on *De Facto Municipal Corporations under Unconstitutional Statutes*, 37 Yale L. J. 935 (1928) and *Discretion of Courts in Actions to Dissolve Municipal Corporations*, 6 N. Y. University Law Review 112 (1929).

which denied a temporary injunction in a taxpayer's action to restrain the city of Minneapolis and its officers from paying the expenses of a committee of its officials in attendance upon a meeting of the Mississippi Valley Association at St. Louis and of the River and Harbors Congress at Washington, both held in 1928. In thus holding that the city has the implied power to pay such expenses, the decision marks a radical departure from the generally established rule that only those powers are to be implied that are necessary, and not merely convenient, to carry out the express powers of the city charter. The implied power in this case is predicated upon the express power to control and regulate the construction of piers and wharves, etc., within the limits of the city and to lay out, improve and control the streets. The defendant claimed that the development of facilities for deep waterway commerce, and the incidental construction of piers, terminals and the approaches thereto made necessary the expenses incurred by the city officials in attending the aforesaid conferences.

Although there is no question that the expenditure of public money is often justified by the advantages resulting from inter-city conferences called for the discussion of questions of mutual interest, the courts have uniformly denied that the power was one to be implied. In many instances, such expenditures are expressly authorized by the city charter or by general law. In Minnesota, for example, express power is given the cities to join the league of municipalities and to pay their dues and the expenses of their delegates from the public funds. Minneapolis, as a home rule city, conceivably might confer upon itself by charter amendment the power to pay the traveling expenses of officials sent upon tours of investigation. But such a power is so liable to abuse that in the absence of legislative sanction, the wise decision of the courts has been to deny its grant by implication. The grounds stated for the decision are not impressive and seem to do violence to well-established principles of local government.



Indebtedness—Contract to Pay for Services in Annual Installments.—In *Friese v. Edmonds*, 290 Pac. 856, decided August 30, 1930, the Supreme Court of Washington holds that under a five-year contract to purchase water to be furnished the city of Edmonds at a monthly fixed charge, not shown to be in excess of its actual value, with an option to purchase the plant at the

end of the term, no indebtedness was presently created necessitating competitive bidding. The decision follows the rule laid down in *Walla Walla v. Walla Walla Water Co.*, 172 U. S. 1, that under such a contract no indebtedness within the meaning of the constitutional or statutory limitations is created until the consideration is furnished. It is to be noted that there were no allegations or evidence in this case to show that the monthly rental was not a reasonable charge for the service actually given. If it had been shown that it was excessive and that the purpose of the contract was to purchase the plant by means of monthly payments disguised as rental, the decision would have declared the contract invalid.

A similar decision was recently rendered by the Supreme Court of California in the case of *California Pacific Title & Trust Co. v. Boyle*, 287 Pac. 968, in which it was sought to compel the auditor to pay for certain lands known as McLaren Park purchased by the city and county of San Francisco. The proposition to bond the municipality to purchase the entire tract of 550 acres for park purposes was defeated by the voters in 1928, but the board of supervisors proceeded to make an appropriation for acquiring a parcel of such lands from the current revenues. The court held that such an appropriation did not come within the provisions of the state constitution or of the charter requiring approval by popular vote, as no doubt was created nor any obligation that could not be paid out of current revenues.

This latter decision gives the city authorities some relief from the legal restrictions they have been laboring under in trying to carry out their program for the extension of the municipal park system. Their efforts to circumvent these restrictions by the subterfuge of a lease with the obligation of heavy annual payments was defeated by the courts in *San Francisco v. Boyle*, 195 Cal. 426, known as the Marina case, and in *Mahoney v. San Francisco*, 201 Cal. 248, the so-called Spring Valley case. (See note in October 1927 issue, vol. xvi, p. 668.)



Streets and Highways—Liability in Tort of Independent Contractor Who Has Agreed to Maintain a Portion of the Highway.—In *Taylor v. Westerfield*, 26 S. W. (2d) 557, the Court of Appeals of Kentucky overruled a long line of decisions, which held that the immunity of the state from actions in tort for defects in highways extended not only to municipal and quasi-

municipal corporations exercising governmental functions, but also to independent contractors who had undertaken to perform the duties imposed upon the local subdivisions. The theory upon which the earlier Kentucky decisions rested was that the state or the local subdivision would have an increased burden cast upon it if the contract prices for public work were to include as a matter of law a liability for damages to third persons (*Blue Grass Traction Co. v. Grover*, 135 Ky. 685, *Ockerman v. Woodward*, 165 Ky. 752).

In its opinion, the court gives the following reason for changing the exceptional rule of law that it had previously followed (pp. 558-559):

It is now accepted that the industry, and not the individual, should bear the burden of industrial accidents, and, with like reasoning, the individual should not be compelled to bear the burden of negligent prosecution of public work, at least where carried on by an independent contractor. No doubt the state and its subordinate arms of government, its servants and officials, will and perhaps should, like Richelieu, draw around it the magic circle of "sovereignty" to protect itself against suits by individuals. The independent contractor, however, is no sovereign, and the protection of sovereignty should no longer be extended to him, since, in the light of our changed views as to public policy, the public should not take the advantage of getting its work done cheaply by shifting the burden of sustaining the damage caused by the negligent prosecution of that work by an independent contractor upon the injured individual.

It may be noted that Kentucky still stands with the small minority of states which have failed to impose liability for neglect in the care of public highways upon the subordinate public agencies, such as counties and towns, to which the duty of performing this state function has been committed. In the instant case, the court of appeals approves of the continuance of such a public policy upon the ground that otherwise "the more important work of government, which every municipality or sovereign must perform, regardless of its other relations, would be seriously impaired, if not totally destroyed." In view of the fact that no such result has followed the action of the forty states whose statutes impose such liability and of the pronounced trend toward a further extension of tort liability to public agencies, it is to be hoped that the legislature of Kentucky will move to bring this branch of its public law into closer harmony with the public policy of her sister states.

Municipal Bonds—Constitutional Provisions Limiting Attack upon Their Invalidity.—The Constitution of Louisiana (Sec. 14, Art. 14, Constitution of 1921) provides that when submission of the question of the issuance of refunding bonds is to be made to the electors of any municipality of the state except the city of New Orleans, the regularity of the election may be contested in the courts within the following sixty days and that, upon failure to bring an action within that period, the authority to issue the bonds, the legality thereof and of the taxes necessary to pay the same shall be conclusively presumed, and no court shall have authority to inquire into such matters.

In *Charles Webster Realty Co. v. Police Jury of Parish of Washington*, 128 So. 416, a property owner brought a suit to have declared null and void certain bonds issued by the police jury to refund certain unbonded debts of the parish, upon the ground that the statutes give authority to refund only existing bonded indebtedness. This action was brought more than sixty days after the publication of the result of the local election approving the issue and more than thirty days after the bonds had been sold to a local trust company.

While the question of authority to issue such refunding bonds and of the regularity of the proceedings were put in issue, the Supreme Court of Louisiana in affirming a judgment dismissing the action based its decision solely upon the constitutional provision above noted. The court refers to several other of its decisions to the same point and shows that its ruling in the instant case may now be considered well settled. The purchasers of municipal bonds of Louisiana municipalities are thus assured not only of their validity sixty days after the publication of the result of the local referendum, but also of freedom from any vexatious action to test the regularity of their issue.



Streets and Highways—Injunction against Encroachments by City.—In *George W. Armbruster, Inc. v. City of Wildwood*, 41 Fed. (2d) 823, the United States District Court held that the plaintiff, as an abutting owner on a public highway, whose access was obstructed by an elevated boardwalk in the street along the seashore, was entitled to enjoin its maintenance unless provision be made for access by vehicles to the adjoining property. The petitioner alleged special damages and the right to have the public

highway kept open as appurtenant to its property rights. The city defended mainly on the ground that the petitioner's predecessors in title had consented to the obstruction by a contract, which gave them a right to extend their buildings over part of the highway to connect with the boardwalk. The court held, however, that the city could not contract to give an adjoining property owner the right to occupy the street and therefore the contract was void. Not only was the contract *ultra vires*, but the city had refused to grant the petitioner a permit to make such connections.

It is to be noted that the decree of the court goes no further than to protect the rights of the abutting land owner by requiring the city to provide means of ingress and egress from his property. The remedy to protect the rights of the public to the unobstructed use of the highway is by indictment or information. The equitable remedy available to a private person to protect his property rights which are damaged by a nuisance in the city streets erected by the public authorities can go no further than to secure to him those rights, leaving to the public authorities the protection of the public interests.

✱

Municipal Airports—Power to Acquire Extra-Mural Territory.—The Washington cities of

Walla Walla and Spokane attempted to go beyond their respective territorial limits to condemn property for municipal airport purposes. This action was opposed in both instances upon the ground that the cities had no power either to maintain an extra-mural airport or to acquire land for such purpose, the airport enabling acts being silent on these points. *Held*, such power existed by virtue of the general condemnation statutes when construed in connection with the airport authorization acts. *State, ex. rel. City of Walla Walla v. Clausen* (Wash.), 289 Pac. 61, as to cities of the second class. *City of Spokane v. Williams* (Wash.), 288 Pac. 258, as to cities of the first class. The general condemnation statutes of Washington authorize political subdivisions of the state to appropriate private property outside the corporate limits for corporate uses. The airport enabling act, a subsequent statute, expressly declares an airport to be a city and county purpose and a public use and authorizes municipal corporations to establish and operate such airports. These statutes being complementary to each other confer upon municipalities the power to acquire land for, and establish, extra-mural airports, even though the airport enabling acts did not expressly confer power to condemn or operate extra-murally.

PUBLIC UTILITIES

EDITED BY JOHN BAUER

Director, American Public Utilities Bureau

Dr. Edward W. Bemis.—In September, death removed one of the few outstanding persons who had stood consistently on the public side in public utility controversies in this country. Dr. Edward W. Bemis has been a prominent and influential figure for nearly fifty years. Long before the recently exposed influences had sought to control the teaching in our colleges and universities with respect to utilities, Dr. Bemis came in conflict with corporate interests, and was removed from one of the leading universities because of his outspoken and fearless position on public questions.

Dr. Bemis has represented municipalities and consumers in a great many rate cases, extending back about thirty-five years. During the past twenty years, he has participated actively in public discussion of the bases and policies of rate-making. He has been a strong supporter of "prudent investment" as against reproduction cost—not just as a matter of advantage to consumers, but on grounds of sound economic policy and as the only basis which can be systematically administered by the commissions. His chief recent contribution was his analysis of "going value" and his reasoned conclusion that no separate allowance is necessary under the Supreme Court decisions, when the engineering and financial overheads have been properly added to the physical valuations of a property.

Dr. Bemis has had a long life of almost constant battle, and he was always on the side of the public as against special interests. He was an intelligent fighter, pursuing broad lines of public policy. Notwithstanding the almost incessant conflict in which he was involved, he remained cheerful, and retained an optimistic and buoyant outlook on public affairs. He had faith that his successors would carry on.

*

The Service Charge Hearings in New York.—The New York Edison rate case has been before the public service commission since 1925. The company has spent over five million dollars in the preparation of the case, and, in addition, probably at least a hundred thousand dollars of pub-

lic moneys have been expended. It involves the general electric rates in Manhattan, which have continued for many years at 7 cents per kw.h., while the proponents of lower rates have sought a maximum of 5 cents.

While this matter was still before the commission, the associated Edison companies during the past summer proposed to the public service commission the establishment of a 5-cent rate, coupled with a 60-cent *service charge* for the residential users, and an additional *demand charge* of \$1.00 a month per kw. of maximum demand for commercial users. This schedule has been proposed as a settlement of the litigation that has continued for five years. It involves, however, not only the New York Edison Company itself, but also the Brooklyn Edison Company, the United Electric Light & Power Company, and the New York & Queens Electric Light and Power Company—all under the same control and supplying electricity to practically the entire city, except the Borough of Richmond.

The schedule was presented as if it established a general 5-cent rate. The City of New York, and the Utility Consumers' League, which is primarily an organization of small users, have contended for a flat 5-cent rate, and have come out in vigorous opposition to the new schedule. They base their opposition on the fact that the 60-cent service charge would result in an increase in rates to all residential users who take less than 30 kw.h. per month, or nearly 70 per cent of the residential users. They desire a maximum 5-cent rate, without any service charge.

The argument against the service charge in the proposed electric schedule is the same as has been elaborated before the public service commission in the Brooklyn Union and Brooklyn Borough gas cases, which were heard by the commission over two years ago, and which are now up for rehearing and will probably be decided with the electric case. The commission is thus confronted with the general question as to the desirability or validity of the service charge included as a part of a domestic rate

schedule. This applies equally to gas and electric rates. The issue, moreover, has country-wide significance. While the service charge has been approved in various instances, it has been generally objectionable to the smaller consumers; has been opposed by municipalities and consumers in a number of instances; and will doubtless be subjected to more vigorous inquiry even where it has already been accepted in principle. The New York cases, therefore, will have much more than local and state importance.

The chairman of the New York commission, Milo R. Maltbie, has announced that the commission will decide all three cases on the same general basis—deciding definitely whether or not a service charge is justified as part of a rate structure. The gas cases, however, involve not only the matter of principle, but also a legal question. A service charge is prohibited under the New York statute, so far as gas rates are concerned; but this prohibition does not apply to electric rates.

The opposition to the service charge in all three cases centers on the difference in cost in serving apartment house and multiple-family house customers, as against single-family house customers, especially those in the more elaborate establishments. In each case the company sets up large costs which are regarded as due to customers as distinguished from the cost of gas or electricity, or other causes of cost. These so-called "customer" costs are then divided equally per customer throughout for the company, and the result is taken as the basis of a properly determined service charge.

The companies contend that these customer costs should be provided for separately in the rate schedule as a fixed charge per month per customer. The costs have been presented as amounting variously to about \$1.00 to \$1.50 a month per customer. For the electric companies, the proposed service charge, as already stated, is 60 cents per month; for the Brooklyn Union Gas Company 95 cents, and for the Brooklyn Borough Gas Company \$1.00. For the two gas companies, however, the charge allows the inclusion of 200 cubic feet of gas, while for the electric companies there is no allowance of electricity.

The effect of the service charge would be to increase the effective rate for gas or electricity to the small users, and approximately two-thirds of the customers would be adversely affected. To a large extent, small users are found in apart-

ment houses, tenements, or multiple-family houses, while the large consumers live mostly in single-family houses. The economic validity of the service charge, therefore, involves consideration of the relative cost of furnishing service under the different conditions of housing.

The opponents of the service charge hold that in large part the costs presented by the companies as customer costs, in reality constitute fixed charges, general expenses and business overheads which have no direct or immediate dependence upon the number of customers. They claim also that the bulk of the costs which may be properly regarded as customer costs, vary greatly per customer according to difference in service conditions. Among the simplest of customer costs, for example, there is meter reading. This is undoubtedly due to customers, as distinguished from other causes of cost in furnishing gas or electricity. But the cost of meter reading varies greatly per customer according to conditions of service, and the total cost incurred cannot be justly divided equally between all the customers without creating discrimination. The cost of meter reading per customer in a large apartment house—less than $\frac{1}{2}$ cent per customer per month—is almost negligible, while for an elaborate, single-family house the cost ranges from 10 cents to 15 cents. Similar differences occur with regard to most costs which may be regarded as due to customers. Outside of customers' bookkeeping and closely related processes, practically all costs that may be regarded as customer costs are less per customer in apartment houses than in single-family houses.

The fact is clear that there are wide variations in costs with varying conditions under which customers are served. In general, the costs per customer are less in apartment houses than in single-family houses, with wide variations in-between. The further fact appears that to a large extent all costs are incurred jointly in behalf of all consumers. The basic question, therefore, before the commission is whether under such conditions of joint cost and wide variations in conditions of service, a service charge or any system of two-part rate can be established without creating discrimination against the small users served under large apartment house and tenement house conditions. Under such circumstances, is not the best, the most practical, and the most just rate found in the so-called "flat" rate, with possible blocks or successive step

reductions, predicated upon considerations of promoting greater use of service?

The service charge has been offered as a means to establish more equitable rates as between classes of consumers, especially small and large users. The question before the New York commission is whether the proposal would not in fact create discrimination against small users, instead of placing just burdens upon them.



St. Lawrence Power Development Commission.—The New York legislature last year provided for a special commission charged with the duty to investigate and report on the feasibility of the St. Lawrence water power development, including the desirability of public development and plans of distribution so as to make the advantages of low production costs available to the state at large.

The commission was appointed by Governor Franklin D. Roosevelt, and consists of Robert M. Haig, chairman; Julius Henry Cohen, Thomas F. Conway, Frederick M. Davenport, and Samuel L. Fuller. The commission has provided for two distinct investigations and reports by experts. The first will be a report upon the engineering feasibility of constructing a plant on the St. Lawrence, together with estimates of cost. The second covers the marketing problem to determine what demands there would be for the St. Lawrence generated power.

The first inquiry was placed in the hands of the so-called Engineering Board. This consists of Lieut.-Gen. Edgar Jadwin, chairman, formerly chief of engineers, U. S. Government, in charge of river and harbor work; William H. Woodward, consulting engineer, with extensive experience in waterways and canal projects; O. G. Thurlow, Birmingham, Ala., vice-president in charge of Southern division, Allied Engineers, with extensive construction experience in hydro-electric projects in the South; and Col. Frederick Stuart Greene, Albany, N. Y., Superintendent of the Department of Public Works, State of New York.

The marketing study was turned over to the editor of this department and Col. John P. Hogan, of the engineering firm of Parsons, Klapp, Brinckerhoff and Douglas. This will include a special study of whether St. Lawrence power can be economically transmitted to the city of New York, and will present an estimate of potential demand for St. Lawrence power. As a special feature, it will consider the possibilities of rural electrification, to determine what rural load may

be developed, and what means can be adopted to keep costs and rates to a minimum for effective extension of rural electrification.

The report by the commission must be made to the legislature by January 15, 1931. It will be important not only to New York, but to other parts of the country which are concerned with the problem of making electricity more generally available to industrial and domestic users, and which are struggling particularly with rural electrification in relation to the establishment of an agricultural program.



Can't They Stop It?—After the somewhat recent exposé of public utility propaganda, one would suppose that the "clever boys" of the companies would subside and let the operating groups have a chance to gain back public confidence—through the introduction of economies and reduction in rates. But that, manifestly, was too much to expect. Abdication always comes hard, and undoubtedly, the industry will be burdened with the "smart" fellows for many years to come! And, in our opinion, it is this influence, more than any other factor, that will push along the public ownership movement.

During the past year, rumors have pointed to the continuance of propaganda, including efforts to control the election and appointment of public officials, and to determine the character of public utility instruction in colleges and universities. The most glaring case has come to light in Nebraska, where the venerable Senator George W. Norris is seeking reflection, reluctantly after long urging by his friends who are interested in good government, not only in Nebraska, but all over the country. A particularly smelly dish was cooked up, but it was finally fed to the cooks themselves! Back of the mess was the public utility influence, which was not limited to Nebraska, but reached to Chicago and New York headquarters of huge interests.

The scheme was developed and apparently financed by public utility interests, and was taken over by a stupid representative of the "hard-boiled" group that controls the eastern division of the Republican party. It involved a hesitant local attorney, and an inexperienced young grocer. It collapsed ludicrously, and has involved the direct participants in perjury.

It was a lovely idea! If it had worked, it would have brought tangible rewards and approval from the high-ups. The suggestive name of a young grocer in Broken Bow, Nebraska,

came to the attention of someone with imagination. The grocer's name happened to be George W. Norris—the same as that of the Senator. If the young grocer could be induced to file a petition to run in the Republican primaries, his name would appear indistinguishably with that of Senator Norris! Then the voters would not know for whom they were voting, and so a *regular* Republican might receive the official Republican nomination, especially if Senator Norris should withdraw from the Republican primaries and run as an independent candidate. All this would lead to the election of a "real" Republican senator, and the retirement of the great Nebraskan who has stood unflinchingly for the public interest, without regard to party affiliation.

The scheme failed, and, we assume, by the time these comments are read, Senator Norris will have been elected once more to represent not only Nebraska but all progressive and public-minded people of the country. Grocer Norris was slow to file his petition, which reached the office of the secretary of state too late under the law as it was specifically construed in this case. Later, the grocer, his attorney, and the steerer for the Republican organization, were summoned before the Nye Investigating Committee, and testified blandly that there had been no scheme; that the young grocer had merely aspired to go to the United States Senate, and had acted without the suggestion or support of any-

body. Later, however, the conscience of a blonde young lady was working, and it is a matter of public gratification that conscience remains at least with blondes. The attractive secretary of the Republican steerer laid the facts before the Nye committee; then both the local lawyer and the grocer admitted the conspiracy.

None of this would have any interest to us except for the ultimate influences of the utility interests which desired the retirement of Senator Norris. The same interests have joined against the reelection of Governor Roosevelt in New York, who has taken an advanced position in the establishment of effective regulation of utilities, who is seeking the St. Lawrence power development in the interest of the state as a public matter, and who is endeavoring to make public ownership of utilities attainable to any municipality which desires to establish a municipal system. In New York, the opposition to Governor Roosevelt is crusading against Tammany corruption, and it contains groups which remained painfully silent when the federal oil scandals were uncovered, and which are deaf when up-state corruption is mentioned in New York. The rather obvious fact is that they do not care a hoot about corruption; but they do not want Roosevelt in Albany any more than Pinchot in Harrisburg, or Norris in Washington, or the La Follettes in Madison and Washington.

MUNICIPAL ACTIVITIES ABROAD

EDITED BY ROWLAND A. EGGER

Princeton University

Housing in the Irish Free State.—In the United States the residence of more than two persons in a single room is regarded as unhealthy. This is true of almost every other country which has developed any degree of "housing-mindedness." From this point of view, residential conditions in the Irish Free State are indeed unsatisfactory. There are 781,000 persons within the geographical jurisdiction of the Free State living more than two in a room.

This total of 781,000 persons includes 75.2 per cent of the 140,000 people in one-room dwellings; 59.3 per cent of the 440,000 in two-room dwellings, 36.9 per cent of those, numbering 793,000, in three-room habitations, and 17.2 per cent of the 623,000 living in four-room dwellings; 2,761 families, numbering nine persons to each family reside in two-room dwellings.

Taken by specific cities, the situation is seen to be even more aggravated than norms and averages would indicate. Twenty-seven and two-tenths per cent of the entire population of the Free State are living in overcrowded conditions as defined above. The percentage of the most overcrowded towns is as follows: Dublin City, 45; Edenderry, 38; Limerick City, 37; Kildare, 36; Newbridge and Newcastle West, 34 . . . and so the list continues.

Little comfort for advocates of "back to the soil" movements is to be drawn from these percentages, however. Rural housing conditions are almost uniformly more congested than those of all save the largest urban areas. Along the western seaboard and in the counties of Dublin and Kildare the rural populations are extremely overcrowded. At the same time, the rural death rate, for causes not connected with housing conditions, is uniformly lower than even the best housed urban areas. Thus, in Mayo, with 41.7 per cent of the population in overcrowded conditions, the death rate is only 11.8 per 1,000 population, while in the best housed urban areas, with a congestion ratio of 15.2 per cent, the mortality index is also 15.2 per 1,000.

The development of the Ford Tractor Factory in Cork and the hydro-electric works on the River

Shannon near Limerick have served further to congest and complicate an already impossible situation.

The housing statistics issued by the Dublin ministry of industry and commerce contain much material of interest and edification to social workers, sociologists, and even serious-minded people. The curves with reference to housing of the different trades are particularly illuminating, as are also those showing the relation between housing conditions, marriage, birth, and mortality figures. The work contains also a series of interesting diagrams showing the relation between age and housing conditions. It appears that in rural areas, for example, housing conditions grow rapidly worse from birth until the age of 7 years, and then improve until the age of 13. From 12 to 17 housing conditions improve rapidly, and then more rapidly until 22, improving at a more accelerated rate for females than for males. Housing conditions of females tend to remain constant from about 22 to 45 or 50, or the end of the child-bearing period. For males, conditions improve from about 22 to 40, and then tend to remain constant.

The explanation for the increase in facilities from the age of 12 or 13 and upwards is accounted for by the early age at which the worst-housed portions of the population leave their habitations for domestic service, emigrate, or die. Indeed, the death rate in all age brackets for this group is correspondingly higher than any of the less crowded portions of the populace.

These statistics are interesting from a number of points of view. In the first place, they reveal the true picture of housing conditions in the Free State—and Liam O'Flaherty in his most morbid moods never overstated the case. Secondly, they show conclusively that the efforts which have been made to meet the problem in recent years by subsidies and rate remissions are utterly futile. Finally, they are fairly exemplary of one of the most profitable fields for the application of the "quantitative method" in politics and administration.—*The Municipal Journal*, August 29, 1930.

Communal Electricity Supply in Belgium.—

The attitude of the central government in Belgium, relative to the general dissemination of the habit of using electricity, has been distinguished chiefly by its total indifference toward the interests of all save large consumers. In consequence, the only efforts which have been made in behalf of small and moderate consumers, comprising the major portion of those utilizing electricity for domestic purposes, have been those of the communes. A single project for the formation of a national society for domestic electricity consumption has been proposed, but it "*resta sans écho*."

The law of March 1, 1922, permits intercommunal coöperation for electricity production. Inasmuch as Belgium communes, like their French prototype, are not appropriate areas of administration for such projects, this possibility of combination for certain public utilities has been the only saving grace of a vexing situation.

One sort of these intercommunal associations is *L'Association Liégeoise d'Electricité*. While the internal organization of these associations is not uniform, they are all juristic persons, and have the same degree of financial and administrative freedom as any industrial enterprise. As a commentator has remarked, however, the organization in general accords with the extensive rationalization program which is an integral factor in the platforms of municipalization factions. This form, it should be noted, is that of direct and complete municipalization-communal trading.

Of another type is *L'Intercommunale Bruxelloise d'Electricité*. This corresponds probably more closely to the French communal *syndicat*, or the American joint-contract plan. The commune, under this plan, agrees with a neighboring commune to contract jointly with one or more companies for the supply of electricity to their inhabitants. Frequently they take the entire electrical output of particular companies. The rate-making authority in cases of this sort is a mixed commission, composed of representatives of the consuming communes and the exploiting companies.

There are a number of serious objections to the joint contract system. Probably the chief of these is the insusceptibility of the companies under the plan to rationalization and more economical production. And in a country operating on a almost infinitesimal marginal balance, as is the case in Belgium, such rationalization is of the

utmost importance. The Belgian communes are literally between two fires. The financial condition of the country at large will not permit actual construction of plants, or the purchase of the plants now in operation. On the other hand it is generally realized that permanent industrial prosperity is in large measure contingent upon drastic rationalization and electrification in many fabrication processes. Only in such fashion can Belgium undersell her competitors at home and abroad. At the same time, the control which can be exercised over companies under the joint-contract system "cannot be confiscatory"—phrase of iniquitous import—and the consumers thus ultimately must pay for production wastes. It should be mentioned that the electrical industry in Belgium is apparently too conservative to realize that certain machinery should not be continued in service until it literally falls apart; it has become dominated by the doctrine of "safety first" for its investments.

The 1928 production statistics are indicative of the relative importance of the various types of electricity supply:

Communal plants	140,000,000 kw.h.
Regional contract plants. . .	1,325,000,000 kw.h.
Private plants	2,260,000,000 kw.h.

It is readily observed that the communal plants attained to barely a tenth of the production of the *sociétés concessionnaires*, and hardly more than a thirtieth of the total production.

The ultimate solution of the problem is not yet in sight. Conceivably it might come through an extension of the system of intercommunal direct operation, or through the extension of public control. There are times in the industrial and economic history of nations, however, when, no matter how generally acceptable its capitalistic institutions, the "rule of law," in the subtler hypocrisies of its current development, imposes upon such nations an unmitigated hardship and an unrelieved nuisance.—*L'Administration Locale*, June, 1930.

**Electricity Nationalization in Costa Rica.**—

There are three electric companies in Costa Rica, the Compañía Nacional Hidroeléctrica, the Compañía Nacional de Electricidad, and the Costa Rica Electric Light and Traction Company, Ltda. There is also a board of electricity control and rate fixation, called the Servicio Nacional de Electricidad. There is an article in the Costa Rican constitution prohibiting monop-

lies. There is also a sort of informal agreement or intangible holding company which has consolidated at least the policies of the three electricity units.

The action of the companies is far from being without apology, or even justification. The rates which in many instances have been fixed by charter of incorporation or by franchise are, at least in the case of the Light and Traction Company, virtually confiscatory, and effectively prevent the maintenance of a satisfactory and efficient service in San José.

In the case of all the companies, however, there is urgent pressure for revaluation. The law provides that the value shall be calculated on the sale value of the utility, omitting such factors as good will, personal and proprietary interests. It is this value upon which rate variations, within its legal prerogatives, are determined by the Junta. The Servicio Nacional has been willing to allow an eight per cent return on the real value of the properties, and an additional two per cent as a depreciation reserve. This was proclaimed late last November, and has been in operation since that time.

The rate, however, is not satisfactory to the consumers. Too, there has been much agitation concerning the quality of the service which has been rendered. Finally, under the new plan, with the holding company somewhere in the offing, it is felt that the interests of the consumers as to the maintenance of an efficient service is not adequately protected. It is implied, in some quarters, that there has been a sort of "insulation" of the Servicio Nacional.

That being as it may, the sum total of the discussion has been the revival of agitation for electricity nationalization. The Junta itself is generally assumed to favor nationalization. The companies demur both as to the manner and the recompense provided by various unofficial agencies as the basis of settlement. Meanwhile, the Servicio Nacional has committed itself to doing the companies "justice," in accordance with the principles of regulation generally followed in the United States. It is precisely justice of this sort which enables utilities to own and operate utility commissions, as the Costa Ricans doubtless soon will realize.

Nationalization is opposed on many scores, mostly theoretical and emotional, which lend themselves to the Latin temperament and language. Señor R. Coto, however, has admirably summarized the case for nationalization on

purely pragmatic grounds. He points out that the most urgent need in connection with the electricity supply is the extension of its consumption; he further indicates that, as in the case of a virtual private monopoly more or less regulated, this extension is not likely to occur with the rapidity which is essential for the furtherance of national progress. The goal is even less likely of realization under the devastating effects of wasteful competition.

He refers also, in a remote way, to the evils attendant upon utility stock manipulation such as occurred in Wall Street some months back. From a more immediate point of view, however, he insists upon nationalization as a measure of conservation and development, rather than as a drastic expedient in the alleviation of an annoying problem.

He makes the point, and quite justifiably, inasmuch as most of the electricity stock is in foreign hands, that regulation is likely to prove unsatisfactory to foreign investors. Of course, nationalization is hardly designed to please them greatly, but there is a legitimate argument for the assumption of electricity supply while the industry is yet infantile, and before rights have become too vested. And finally, there can be no doubt that, for the utilities, Costa Rica is a *patria por reconquistar*, but for Señor Coto, it is *una patria que guardar con honra*.

The analysis of the problem purely from the standpoint of the economic production and distribution of electricity and of administrative organization and capability seems largely to have been disregarded.—*Comuna y Hogar*, August, 1930.



Borough Boundaries in London's Hinterland.

—It is a well-known fact that the built-up area of the London agglomeration spills out in many directions past the limits of the Administrative County. West Ham, for example, is really as much a part of London as the Metropolitan Borough of Woolwich, although under the jurisdiction of the Essex County Council. The consolidation of the London region transportation services, together with the considerable control exercised by the ministry of health and other central authorities, has lessened the intensity which might otherwise be operative for a wholesale integration and territorial rationalization of extra-Administrative County London.

Certain difficulties, however, have made themselves apparent even in these outlying portions as

regards their territorial relations with each other. A proposal for rearranging the boundaries of the Borough of Walthamstow, by the annexation of Chingford, U. D. C., has been brought to the attention of the Essex County Council Local Government Committee. This annexation would increase the population of Walthamstow from 125,000 to 160,000.

An attendant proposal is concerned with the annexation of the Woodford urban district area on the Walthamstow side of Woodford New Road and the Leyton municipal borough area on the Walthamstow side of the Lea Bridge Road. Leyton, it is understood, is supposed to be favorable to the absorption of both itself and the

Chingford area by Walthamstow to form a single county borough. If these three areas were combined the population of the Walthamstow County Borough would be about 267,000. The populations of the three other county boroughs in Essex are: West Ham, 301,000; East Ham, 147,000; Southend, 106,000.

It is anticipated that this combination and reduction of the number of local authorities will greatly facilitate the operation of several services supplied by the several areas on an economical basis, and also will smooth out relations not only with Essex, but also with the central departments having jurisdiction in this area.—*The Municipal Journal*, September 5, 1930.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

EDITED BY RUSSELL FORBES

Secretary

Recent Reports of Research Agencies.—The following reports have been received at the central library of the Association since September 1, 1930:

Kansas City Public Service Institute:

Registration and Elections in Six Cities.

City Firemen's Pension Fund.

Citizens' Bureau of Milwaukee:

City of Milwaukee's Major Financial Transactions, 1920-1929; Prepared to serve as the Basis for a Long-Term Program.

Bureau of Municipal Research of Philadelphia:

Juvenile Division of the Municipal Court of Philadelphia.

Municipal Salaries in Philadelphia, 1915-1930.

School of Citizenship and Public Affairs, Syracuse University:

Control of Public Utilities Abroad.

The Administration of Damage Claims in New York State Municipalities.

Crime Prevention as a Municipal Function.

Municipal Insurance Practices of New York Municipalities.



California Taxpayers' Association.—The Research Department is now engaged in an intensive study of the state budget and has been sitting in at the budget hearings. A ten-year building program for Fresno County has been completed. The Pasadena school survey and the Fresno County school survey are in process of completion.

The Association has gone on record in favor of the fixing of salaries of state administrative officials by the legislature; the taxation of toll bridges acquired by the state as long as the state collects the toll; the \$10,000,000 San Francisco Harbor bond issue, the permanent registration of voters, and the collection of personal property taxes on motor vehicles by the state.

The Research Department has started a survey of the San Diego county government. The study will cover the following eleven objectives: organization of county government; statistical

material, including population, assessed valuation, receipts and expenditures, tax rates, tax burdens, bonded debt, statistical comparisons, records, and accounts and budgets; highways; city and county schools; purchasing and supply management; inspectional offices; service offices; charities and welfare; miscellaneous services, such as garage, library and parks; methods of accounting for fines in courts; and inventory of lands owned by the county.

The Research Department has completed its study of the costs of the state highway department during the last ten years. From June 30, 1920, to June 30, 1930, the state expended \$345,000,000 for its highways. The Department estimates that during the next ten years, on the basis of the present three-cent gasoline tax, the state government will collect \$600,000,000 for highways. Of this sum \$200,000,000 will be allotted for maintenance and reconstruction, \$200,000,000 for new construction on state highways, and \$200,000,000 will be given to the counties for road construction.

At the fifth semi-annual meeting of the Association, held in San Francisco, the following legislative program was adopted:

1. Establishment of a debt limit in special assessment procedure and changes in the existing public improvement laws which will protect the property owner adequately;

2. Legalization of the photographic method of recording deeds and public documents;

3. Industrialization of state prisons by making it possible for the state to use prison-made goods without entering into competition with free labor or private industry.



Citizens' Research Institute of Canada.—The Institute was engaged by the city of Port Arthur to cooperate in the reorganization of the assessment department and the making of the 1930 assessment under the new system. This work has now been completed.

The annual convention of the Canadian Tax

Conference of the Institute is being held in Toronto on November 6 and 7. The Tax Conference is this year dealing especially with the subject of assessment. The provisional programs are now in print. The proceedings containing papers and subsequent discussions thereon will be printed shortly after the convention. Members of the Tax Conference all receive a copy free of extra charge. Non-members who are interested in the subject of assessment can procure a copy for the sum of \$2.00.



Philadelphia Bureau of Municipal Research.—The Thomas Skelton Harrison Foundation has just published a report by the Bureau of Municipal Research on the *Juvenile Division of the Municipal Court of Philadelphia*. This is another of the reports made by the Bureau in its survey of the municipal court. The author of the report is Joel D. Hunter, superintendent, United Charities of Chicago, formerly chief probation officer of the juvenile court of Cook County, Illinois.

A number of recommendations are made in the report, but the one of outstanding importance is that the juvenile division be provided with a better qualified probation staff and with more competent and inspiring leadership. The probation staff is appointed by the board of judges. At the time of the study appointments were not based on careful examination of the qualifications of the candidates, and apparently this is still true. As a means of obtaining a better probation staff the report recommends that the board of judges ask a citizens' committee to hold examinations for the position of chief probation officer of the juvenile division and for assistant probation officers, and that all future appointments be made from lists submitted by this committee. This is a plan which has operated successfully in Cook County, Illinois, where, as in Philadelphia, there is no official civil service system for court employees.

The report analyzes 350 juvenile cases, so selected as to give assurance that the analysis would fairly represent the court's work. A chapter dealing with investigation pronounces the investigation, as shown by the sample cases, to be good in some respects, but poor in some very important respects, such as contacts made with relatives and social agencies. In a chapter on probationary supervision, an outstanding finding is that the probation force rarely planned for their

charges and that they did very little family reconstruction work. The importance of planning and family reconstruction work are strongly urged in the standards for juvenile court work promulgated by the United States children's bureau and the National Probation Association.

Copies of the report are available free of charge on application to the Bureau of Municipal Research, 905 Social Service Building, 311 S. Juniper Street, Philadelphia, Pa.

The Bureau has just published a report entitled, *Municipal Salaries in Philadelphia, 1915-1930*. This report, which consists of 62 mimeographed pages, is a statistical study of standards of compensation in the city service of Philadelphia in 1915, 1920, 1925, and 1930. It compares Philadelphia's municipal salaries with those of other large cities of the United States and with rates of pay in private establishments in Philadelphia. It also compares the increases in municipal salaries in Philadelphia since 1915 with increases in the cost of living and with increases in municipal pay in other cities.

The preparation of this report was undertaken as a piece of coöperation with the Civil Service Commission and with J. L. Jacobs and Company, the private consulting firm of Chicago, engaged by the Commission for the classification study which was begun last spring. While the completed report was not made public until early in October, the more significant material it contains was made available to the Civil Service Commission and to J. L. Jacobs and Company in July of this year. The Bureau's primary purpose in preparing this report, however, was to enable the mayor and council, the editorial writers of Philadelphia newspapers, and interested taxpayers to pass intelligently upon the feasibility of the Jacobs salary recommendations.



Schenectady Bureau of Municipal Research.—A special committee of the board of directors of the Bureau is now studying a report on Schenectady's waste collection and disposal problems prepared by the firm of Pearse, Greeley and Hansen of Chicago. It is expected that definite recommendations to the common council will be made by the board.

Because of certain recent irregularities in local civil service procedure, the Bureau has again renewed its recommendations for a full-time director of personnel to supplant the present part-time lay commission. This matter is re-

ceiving the very close attention of the board of directors and it is expected that improvements based on the 1928 survey made by the Bureau will result in better personnel administration.

The Bureau has played a very active part in the preparation of the 1931 city budget by the local board of estimate and apportionment. A committee from the board of directors called upon the estimate board and discussed various phases of the budget with that body. At the instance of the Bureau, an item of \$5,000 was placed in the budget for a complete audit of municipal account, the last audit having been made in 1923. Also the Bureau was able to assist the comptroller, through information obtained, in raising one item of anticipated revenue from the expected figure of \$240,000 to \$400,000. The Bureau plans shortly to issue a budget bulletin which will present the salient facts about the budget in simple form. During the preparation of the annual estimate, the budget authorities made liberal use of the Bureau's facilities.



Toledo Commission of Publicity and Efficiency.

—The Commission has recently submitted, at the request of the director of public safety, a memorandum on working conditions among firemen in various cities, especially with regard to the length and arrangement of the working shifts. A supplementary memorandum is in process of preparation and will include similar pertinent information on all cities over 50,000 population.

Several ordinances increasing salaries in retroactive fashion and seeking to give compensation for back pay have been tabled by the council as a result of opposition by the Commission based on illegality of the ordinances. The position of the Commission, urging that these ordinances be defeated on account of their illegality, was substantiated completely by an opinion of the office of the Ohio attorney-general.

A study of the Toledo recreation program and its needs and general administration has been undertaken and is being carried on with the assistance of L. H. Weir of the Playground and Recreation Association of America. A study

of the arrangement under which, by ordinance of council, all fees for municipal golf are paid into a special fund and costs chargeable to golf paid out of this fund is being made as a part of the recreation report.

The *Toledo City Journal* in late issues has published articles on the city debt, revenues and expenditures for 1929; on comparative tax rates in Ohio cities and the local tax rate analyzed as to units and purposes, together with budget requests for 1931; and the proposals of the city and county with regard to the distribution of the rate in various units. Other articles included summaries of the fire underwriters' report recently issued for Toledo, the report of the committee of the National Municipal League on the county manager plan, and the annual report of the Toledo fire department for 1929.

In connection with the educational function of the Commission, the secretary, H. T. Shenefield, in collaboration with J. O. Garber, formerly secretary of the Commission and now with the St. Louis Bureau of Municipal Research, is writing a high school civics text on city government and city planning in Toledo. It is expected that the text, which has already been contracted for by the board of education, will be off the press about November 15 and be available for use in the high schools during the present year. The secretary is also preparing a primer of citizenship for use in the educational program of juvenile social work agencies.



Toronto Bureau of Municipal Research.—

The thirty-second convention of the Ontario Municipal Association, of which the director of the Bureau is secretary-treasurer, was held on August 27, 28, and 29 and was attended by some 200 delegates representing various municipalities in Ontario. The director gave a paper on "Uniform Accounting for Municipalities" before the convention of the Union of Canadian Municipalities held in Hamilton, Ontario, on September 8 and 9.

The first story in the series on municipal reporting has been issued. Stories No. 2 and No. 3 on "How the City Government Could be Improved" have been prepared.

NOTES AND EVENTS

EDITED BY H. W. DODDS

Awakened Interest in the Government of Kentucky Municipalities.—The newest ideas in city government have been slow in reaching the state of Kentucky. Municipal experts in this state have been few, and these few seem to have been more interested in their personal enhancement than making any constructive contributions to the administration of Kentucky cities. Not until the most recent years has there been any widespread attempt to apply modern methods to the government of our cities.

The year 1928 marks a new era for Kentucky municipalities. In the fall election of that year the question of the adoption of the city manager form of government was presented to the voters in three Kentucky cities, this action having been authorized by the 1928 legislature in a bill providing for optional city manager government in second and third class cities. The cities were Covington, Lexington and Owensboro, and the city manager plan was ratified by the voters in each case. Advocates of the bill, however, were soon to receive a severe shakeup in their plans. On May 31, 1929, the Kentucky court of appeals declared the 1928 legislation to be unconstitutional because of a defect in the title of the bill.¹

DELAY FORCED BY COURTS BENEFICIAL

Despite the fact that the decision retarded manager government in Kentucky for a period of at least two years, the result probably has proved beneficial to the cause of the city manager. In the first place, adherents of the plan were given time to strengthen their forces and to iron out obvious defects in their previous campaigns. Secondly, due possibly to a mistaken knowledge of the court's decision in the case, the rumor was spread in some sections of the state that the Kentucky court of appeals opposed the manager form and had allowed this dislike of the movement to influence it so far as to give an unfair decision in declaring the city manager law unconstitutional. This rumor, despite its obvious falsity, seemed to bolster up public sentiment in favor of the manager plan. Finally, the 1930 legislature was induced to pass a bill providing

¹ *City of Owensboro v. Hazel*, 17 S. W. 2d* 1031, 1034 (1929).

for optional city manager government in cities of the second class, and this law contains many features of noticeable improvement over that of 1928.

TWO CITIES HAVE DE FACTO MANAGERS

City manager government in Kentucky once more seems assured. Not only has the manager form a clear title in the laws of the state, but it is already a *de facto* institution in at least two cities of Kentucky. Beginning January 1, 1930, a city manager assumed the duties of the office in Covington. The board of city commissioners simply evaded the law in this respect by giving their own salaries to pay that of the city manager. Some weeks ago O. A. Kratz, formerly city manager of Dubuque, Iowa, assumed the position, following the resignation of Colonel W. C. Bell, who had held the office since January 1. The other Kentucky city which recently adopted a sort of city manager government is Paris. In the latter city, the commissioners went about the task of revising the whole city administrative organization in order to provide for the office of "city managing agent." In addition to these two examples, the city of Cynthiana has been operating for several years under a somewhat similar plan, though the kinship to the true city manager form of government is not as clearly shown. And the promising feature of the whole affair is the absolute success of the disguised manager government in each case.

LEAGUE OF MUNICIPALITIES ORGANIZED

Almost parallel with the city manager movement in the state there came a call for a Kentucky league of municipalities. Having assisted in the campaign for the city manager form in Lexington during the fall of 1928, Dr. J. Catron Jones, head of the political science department of the University of Kentucky, recognized the acute need of improvement in city government throughout the state. In the spring of 1929 he and his staff planned the introduction of the municipal league idea in Kentucky. On May 10, 1929, in response to a general call from Dr. Jones, a group of city officials representing some fifteen cities met in Lexington. Among the

other speakers on the program for the day was Morton L. Wallerstein of the Virginia League of Municipalities. He explained to the delegates something of the value of a municipal league and something of the work being done by the leagues in other states. Thanks to the thoroughness of the plans, the session was not adjourned until the delegates had adopted a constitution for the Kentucky Municipal League and elected officers for the year.

Even though the Kentucky league is little more than one year old, it has already made an unusual showing. Starting in 1929 with ten cities, the league's membership now embraces all but two cities of the first three classes. There are about twenty-five additional members, most of which are representative of the fourth class. A membership drive is now in progress, and it is believed by the officers that the membership will be increased to one hundred cities before the league celebrates its second anniversary.

The Kentucky Municipal League now maintains a research bureau and reference library at the headquarters in Lexington. Thousands of publications have been collected, and all important current municipal literature is gathered and kept on file. The research bureau has collected varied data relating to Kentucky cities, and soon will publish a Kentucky Municipal Yearbook, which will present this information in compact and readable form. Dozens of inquiries from member cities on all sorts of municipal problems are being answered each week. On September 1, 1930, Dr. J. W. Manning came from the University of Iowa to assume the directorship of the league's research bureau.

"THE KENTUCKY CITY"

"The Kentucky City" was established in the spring of 1930 as the official publication of the Kentucky Municipal League. This weekly bulletin marks a definite improvement over the usual monthly or quarterly magazine in that it is more readable and serves to keep city officials in constant touch with the league. Under the editorship of Roy H. Owsley, who has been serving as assistant secretary of the league, "The Kentucky City" has already gained national recognition.

The Kentucky Municipal League gives every promise of success. Its growth has been unusually rapid; its work has been extensive and thorough; its members have been increasingly enthusiastic; and its officers are energetic and

competent. Thus its success is practically assured, and if the league is successful, much progress can be expected in Kentucky municipalities within the next few years.

ROY H. OWSLEY.

University of Kentucky.



New York Considers Abolition of Remaining Traces of Personal Property Tax.—A movement is now under way which will probably mark the end of the remaining vestiges of the personal property tax in New York State. The Special Committee on Taxation Administration of Mayor Walker's Committee on Taxation, Lawson Purdy, chairman, has recommended the abolition of what has become an arbitrary and haphazard attempt to reach a certain class of tangible wealth. No one can now be found who seriously favors its retention.

At one time New York, in common with most states, relied heavily upon the personal property tax. By successive stages, all personal property taxes have been removed except the present tax on tangible personalty. When the state turned to the income tax, taxes on intangible personalty were properly relegated to oblivion. Only the tax on personal articles such as household furniture, livestock, farm machinery and the stock and machinery of unincorporated business and the like was retained. The New York Joint Legislative Committee on Taxation and Retrenchment on several occasions has recommended its repeal. In 1928 a sub-committee of the New York City Committee on Plan and Survey condemned this survival from olden days, and it now appears that Mr. Purdy's committee has delivered the *coup de grâce*.

The tangible personal property tax, with minor exceptions, is paid only by natural persons or unincorporated business (of the latter few survive). The rate is the same as the local general property tax rate. Its assessment is so slovenly that many cities and towns make no assessment of personal property at all. In 1927 New York City's assessment amounted to \$308,000,000; the total assessment for the state was only \$334,000,000.

New York City's effort to assess tangible personalty is a joke. Mr. Purdy asserts that it is common belief that the telephone book and the Social Register are the chief administrative instruments employed. Watchmen, janitors, coachmen and the like are assessed for large sums of money, says Mr. Purdy, when, if the cir-

cumstances of such persons were known, it would be obvious that they would not be liable for any such tax at all. About half of the persons assessed have their assessments cancelled. In 1929 in New York City only \$311,000,000 out of a total assessment of \$1,154,000,000 remained on the books when the grievance period was over. Less than 25 per cent stuck. Many who are left on the books don't pay and little attempt is made to collect arrears.

New York state has wisely solved most of the difficulties of the personal property tax by abolishing it almost *in toto*. The step now urged by Mr. Purdy has the support of numerous recommendations of past official bodies. It should be taken without delay.



Local Welfare Agencies.—The Social Work Yearbook for 1929, soon to be published by the Russell Sage Foundation, will contain a chapter on local agencies of public welfare. A progressive movement which is noted is the increasing use of the county as a unit in welfare work.

Since the pioneering step of North Carolina in the passage in 1917 of its state-wide county organization law, other states have adopted more or less similar plans. For example, county organization has progressed in Virginia according to a state-wide program, with local boards and superintendents of public welfare. Missouri has provision for county superintendents but not boards. California reports a considerable number of counties organized with county welfare departments and full-time trained welfare agents. The Florida law of 1927, creating the state board of public welfare, gave it the task of encouraging and assisting in development of welfare work on a county-wide basis. In 1929 the Florida Commissioner reported that 10 counties had organized welfare work, partly if not wholly financed by the county. Georgia has adopted a policy of urging the counties to employ trained workers but allowing the form and manner of support of the county organization to vary, some counties having the work publicly financed and administered, some privately, some having a combination of the two, and some changing as desired from private to public auspices, and vice versa. New York, which previously had only county child welfare boards, has recently made provision for local district public welfare organization. Pennsylvania has councils of social agencies in some counties, welfare federations in others, and welfare boards in still others.

First Annual Ohio Fire School.—The first annual Ohio Fire School was held in the Chemistry Lecture Room of the Ohio State University, Columbus, September 15-19. There were 238 fire chiefs, firemen and safety directors from forty-one cities and villages of the state present at the session. The program was arranged so that the mornings were devoted to lectures and discussions and the afternoons to practical demonstrations of fire-fighting apparatus. The men who attended the sessions were very enthusiastic in their commendation of what had been accomplished and requested that a similar school be arranged for 1931. Plans are being started for this project which will, of course, involve a somewhat different program, and there is some hope that funds may be secured to finance the project from public sources. The school was the joint product of the Ohio Fire Chiefs' Association, the Ohio State University, the Ohio Municipal League, the Ohio Inspection Bureau, and the State Fire Marshal's office.

HARVEY WALKER.



Bowles Definitely Out.—The courts having decided against Ex-mayor Bowles of Detroit on his recall complaint, Mayor Frank Murphy is definitely in the executive's chair. Whatever the ex-mayor's future political ambitions may be, his term as the chief executive of the city contained nothing to commend him to the generosity of the electorate. Mayor Murphy's big job is the unemployment situation which is extremely serious in Detroit. The committee which he has appointed to study and report will proceed carefully, but, it is hoped, effectively. Already it has announced there are 100,000 unemployed in the city.



Portsmouth's Police School.—City Manager C. A. Harrell of Portsmouth, Ohio, has organized a police school which is running this year from September 29 to November 7. While Mr. Harrell recognizes the limitations under which a city of 50,000 population operates in establishing such a school as against a large city, he has prepared a comprehensive and varied curriculum. The class for day men meets at 10.00 A. M. and for night men at 8.00 P. M. Each daily period is divided into two parts, the first for lectures and the second for discussion. The men are required to take notes; and in addition a reporter makes an outline of each lecture and discussion which is later mimeographed and distributed to the men.

for permanent record. In addition to subjects immediately related to police work there are lectures on such topics as the spiritual life of a police officer, social service agencies in Portsmouth, relation of the fire department to the police department, the police department and public relations, and the municipal government of Portsmouth.



The American Civic Association held its Fourth Traveling Annual Meeting October 20-22. This year the scene of activities was the Philadelphia Tri-State Region. On the first day the traveling convention moved from Philadelphia through Fairmount Park to Valley Forge, thence returning to Philadelphia for tea at the Art Alliance and a reception at the Art Museum. On the second day the Delaware River bridge and its approaches were studied and a field trip taken to Princeton by way of Camden. After dinner, bed and breakfast at Princeton, the company returned to Philadelphia on the third day by way of Trenton. The Regional Planning Federation of the Tri-State District is proceeding satisfactorily with its regional plan for Philadelphia and environs, and the traveling meeting gave the members of the American Civic Association an excellent opportunity for visualizing the conditions and problems of the region.



The National Recreation Association held its seventeenth congress at Atlantic City, October 6-11, with more than seven hundred persons in attendance. Speakers included Dr. John H. Finley on "A Look Ahead," Dr. John Erskine on "What Human Beings Need," Rabbi Silver on "Recreation and Living in the Modern World,"

and Professor Charles W. Kennedy and Dr. Joseph Lee on "Character Values of Play and Recreation."



Rotherham (England) Town Council, according to the London *Municipal Review*, has applied to the ministry of health for permission to set up a birth control clinic. The scheme has the approval of the municipality's medical officer and is proposed on the recommendation of the public health committee of the Council. The service of the clinic will be limited to those who qualify on a form of declaration which the council has prescribed.



Liverpool (England) City Council has requested the approval of the ministry of health to erect a large block of tenements, some of which will be ten stories in height—skyscraper altitude for the British Isles. The buildings are part of a slum clearance problem and the unusual height is necessitated by the fact that the area available for re-housing, after the present slums are removed, is much less than the total area to be cleared. To provide for the present residents high buildings have been resorted to. The new accommodations will provide 397 separate apartments.



The Western States Taxpayers' Conference convened at Phoenix, Arizona, October 28 and 29. The central theme of the meeting was Expenditure Control. The Conference boldly attacked a study of school expenditures and likewise delved into the difficult question of How Much Shall Government Do For Us?

NATIONAL MUNICIPAL REVIEW

PUBLISHED MONTHLY BY THE
National Municipal League

VOL. XIX, No. 12

DECEMBER, 1930

TOTAL NO. 174

CONTENTS

EDITORIAL COMMENT.....	<i>H. W. Dodds</i>	797
HEADLINES.....	<i>Howard P. Jones</i>	801
AMERICAN CITY GOVERNMENT AS SEEN BY A GERMAN EXPERT.....	<i>Franz Berthold</i> ..	803
DALLAS JOINS RANKS OF MANAGER CITIES.....	<i>Louis P. Head</i> ..	806
THE GRAFT SITUATION IN ATLANTA.....	<i>Eléonore Raoul</i> ..	809
NEW YORK CITY ZONING LAW MAKES THE SKYSCRAPER A THING OF BEAUTY.....	<i>Joseph P. Day</i> ..	812
LONDON'S PROGRESS IN SLUM ABATEMENT I. THE GOVERNMENTAL AND ECONOMIC BACKGROUNDS.....	<i>E. M. Dence</i>	814
MUNICIPAL GOVERNMENT IN CHINA.....	<i>Ray Chang</i>	820
WHAT HOOVER DAM MEANS TO MUNICIPALITIES OF SOUTHERN CALIFORNIA.....	<i>Thomas F. Ford</i>	825
COMPARATIVE TAX RATES OF 185 CITIES, 1930.....	<i>C. E. Rightor</i>	829

DEPARTMENTS

I. Recent Books Reviewed.....		843
II. Judicial Decisions.....	<i>Edited by C. W. Tooke</i>	847
III. Public Utilities.....	<i>Edited by John Bauer</i>	851
IV. Municipal Activities Abroad.....	<i>Edited by Rowland A. Egger</i>	855
V. Governmental Research Association Notes.....	<i>Edited by Russell Forbes</i>	859
VI. Notes and Events.....	<i>Edited by H. W. Dodds</i>	860

The contents of the National Municipal Review are indexed in the
International Index to Periodicals and in *Public Affairs Information Service*

GRIFFENHAGEN & ASSOCIATES, LTD.

Consultants since 1911

An organization of specialists in public administration and finance;
department organization, operation, and personnel; taxation and
revenue; accounting, budget-making, and expenditure programs.

Offer technical services in programs of improvement and economy

Offices: Chicago, New York, Hartford, Washington, Los Angeles
Write to: LaSalle-Wacker Building, Chicago

THE LEAGUE'S BUSINESS

Annual Business Meeting.—The annual business meeting was held at the Hotel Statler, Cleveland, on Monday evening, November 10, in connection with the National Conference on Government. In the absence of President Richard S. Childs, Louis Brownlow served as presiding officer.

Colonel C. O. Sherrill, former city manager of Cincinnati, spoke briefly, urging the appointment of a committee on stabilization of industry to aid unemployment. After discussion, the meeting voted to authorize President Childs to appoint a committee which would offer its services to President Hoover to further his work in unemployment relief.

Howard Strong, executive vice-president of the Wilkes-Barre Wyoming Valley Chamber of Commerce, reported as chairman of the National Municipal League Committee on Local Branches, which was appointed last July by authorization of the executive committee. The committee report reviewed the arguments for and against the establishment of local branches and concluded that at this time it would not be advisable for the League to change its policy in this respect. The committee believed that the difficulties and disadvantages involved in the creation of local branches would outweigh the potential advantages and, therefore, expressed its belief that the National Municipal League should for the present remain a unitary body rather than become a federation. The committee, however, advocated the establishment of local membership councils to be composed of present members of the National Municipal League and those who become members after the council is established. Such membership council would help as a "sales" body for the League's principles and publications; would help to increase the number of members in a given locality; and would serve as a "minute man" organization to safeguard the interests of good government. A copy of the committee report can be secured by any member by writing to the League headquarters. The committee making this report has the following personnel:

Howard Strong, Wilkes-Barre Wyoming Valley Chamber of Commerce, *chairman*
H. S. Buttenheim, *The American City*, New York City
H. S. Braucher, Playground and Recreation Association of America, New York City
Lent D. Upson, Detroit Bureau of Governmental Research
H. M. Waite, Cincinnati

Harold S. Buttenheim, editor of *The American City*, reported as chairman of the Committee on Nominations and nominated the slate of officers which was announced in full on this page in last month's issue. The committee recommended that, instead of having a number of vice-presidents coördinate in rank and responsibility, the work of the League would be furthered by having first and second vice-presidents and a number of honorary vice-presidents. The committee further suggested that Dr. Charles A. Beard be nominated as first vice-president, and Louis Brownlow as second vice-president. The report of the nominating committee was accepted without opposition. The Committee on Nominations consisted of the following members:

Harold S. Buttenheim, *The American City*, New York City, *chairman*
Richard Crane, Richmond, Virginia
George H. Hallett, Jr., Proportional Representation League, Philadelphia
Edward M. Martin, Union League Club, Chicago
Walter Matscheck, Kansas City Public Service Institute

RUSSELL FORBES, *Secretary*.